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Vânia Daniela Oliveira Antunes de Almeida

Antecedents of loyalty to a brand – *Apple* clients vs. non-clients

Antecedentes da lealdade à marca – clientes vs. não-clientes da *Apple*

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Dissertação apresentada à Universidade de Aveiro para cumprimento dos requisitos necessários à obtenção do grau de Mestre em Gestão, realizada sob a orientação científica do Mestre Victor Manuel Ferreira Moutinho, Assistente no Departamento de Economia, Gestão e Engenharia Industrial da Universidade de Aveiro, e do Doutor António Carrizo Moreira, Professor Auxiliar do Departamento de Economia, Gestão e Engenharia Industrial da Universidade de Aveiro.

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o júri

presidente

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palavras-chave

Experiência da marca, valor percebido, percepções de preço, confiança, satisfação, comprometimento, lealdade, *Apple*.

resumo

A *Apple* é indubitavelmente uma marca *sui generis* e notável no que respeita ao *branding* e experiência da marca, sendo uma referência incontornável na indústria de produtos electrónicos e de computadores.

Os objectivos deste estudo passam por desenvolver e testar empiricamente dois modelos conceptuais que avaliem e permitam comparar as percepções dos não-clientes e clientes da *Apple*, relativamente à experiência proporcionada pela marca, ao valor percebido da marca, às percepções de preço e confiança na marca; e que determinem os antecedentes da lealdade dos clientes à marca.

Assim, este estudo contribui para a criação de conhecimento relativamente ao impacto da experiência da marca na percepção de valor do consumidor e nas suas percepções de preço, bem como no que diz respeito à influência das percepções de preço (positivas e negativas) na confiança, satisfação e comprometimento com a marca.

Usaram-se dois questionários para testar cada um dos modelos conceptuais, através de uma amostra composta pela comunidade académica portuguesa.

Os resultados obtidos comprovam a forte influência dos aspectos sensoriais e afectivos proporcionados pela experiência da marca, tanto no caso dos clientes como dos não-clientes. Realçam também que o papel negativo do preço é neutralizado quando há uma forte experiência da marca, e que o facto de a *Apple* ser considerada uma "marca cara" pode fomentar a sua associação a maior qualidade e alcance de prestígio. Por fim, este estudo reforçou a importância da satisfação e comprometimento com a marca para a criação de lealdade, corroborando a literatura existente. São ainda discutidas as implicações dos resultados para a gestão.

keywords

Brand experience, brand perceived value, price perceptions, brand trust, brand satisfaction, brand commitment, brand loyalty, *Apple*.

abstract

Apple is undoubtedly a *sui generis* and remarkable brand in what concerns to its branding and brand experience, and remains an indisputable reference in the consumer electronics and computer industries.

The aim of this study encompasses the development and empirical testing of two conceptual models that evaluate and allow to draw a comparison between *Apple* clients and non-clients' perceptions, regarding brand experience, brand perceived value, price perceptions and brand trust; and that determine the antecedents of clients' loyalty to the brand.

Therefore, the contribution of this study to the literature relies on the research of the impact of brand experience on brand perceived value and on price perceptions, as well as the influence of price perceptions (positive and negative) on trust, satisfaction, and commitment to the brand.

Two surveys were used to test each conceptual model, through a sample collected across the portuguese academic community. The findings prove the strong influence of the sensory and affective aspects of brand experience on both clients and non-clients. They also reveal that the negative role of price is neutralized in the presence of strong brand experience, and that the fact that *Apple* is viewed as an "expensive brand" may highlight its association to higher quality and prestige. Also, this study reinforces the important role of satisfaction and commitment in building customer loyalty, corroborating the existent literature. Managerial implications derived from the findings are also discussed.

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CHAPTER I – INTRODUCTION

1.1 INTRODUCTION

> "*Apple is a prime example of the rewards that come when you get the equation right: products that people truly want and great branding, which is the door opener for waking people up to the products.*" (Elliot, 2012, p. 245)

The idea that consumers and brands can relate to each other is referred to as 'consumer-brand relationship' (Fournier, 1998; Smit, Bronner, & Tolboom, 2007). While for a long time advertisers invested more money in acquiring new customers than in reinforcing relationships with the existing ones, nowadays strengthening relationships with consumers is the focus of marketing activities, since these consumer-brand relationships bring advantages to the companies such as reduced marketing costs, ease of access, acquiring new customers, customer retention, brand equity and more profit (Smit et al., 2007). On the other hand, for consumers, these relationships provide not only functional aids for living, but also the opportunity to enjoy meaning bestowed on various aspects of their lives (Sung & Choi, 2010).

Consumer-brand relationships are usually conceptualized as long-term, committed and affect-laden partnerships, and may include several constructs, such as brand trust, brand satisfaction, and brand commitment (Aurier & Lanauze, 2011; Morgan & Hunt, 1994; Sahin, Zehir, & Kitapçı, 2012; Smit et al., 2007; Sung & Choi, 2010). These will ultimately lead to brand loyalty, and therefore investing in consumer-brand relationships has become the main focus for many companies that seek to build lasting and profitable ties with customers (Pang, Keh, & Peng, 2009).

Besides the impact of consumer-brand relationships on brand loyalty, literature has suggested that previous information or experience is held as a reason for repeat purchase, in the sense that a personal experience with a product influences consumers' behavior (Lodorfos, Mulvana, & Temperley, 2006). Thus, brand experience is one of the main conductors of brand loyalty since

consumers search for brands that recognize their need for new and exciting experiences, and provide them with experiential aspects more than functional ones, creating unique and memorable experiences, through sensory, affective and other experiential appeals (Sahin, Zehir, & Kitapçı, 2011; Walter, Cleff, & Chu, 2013; Zarantonello & Schmitt, 2010).

Apple is considered the ultimate example of a brand concerned about the user experience. The *Apple* brand experience occurs in different manners, from the product experience, to the look and feel of the products, all the way to the customer service.

Apple stores are the gold standard in customer service, through simple innovations that create deeper, more emotional connections with the customers (Elliot, 2012). From the Genius Bar (*Apple* store's in-house tech-support system) to the feel of the products, the purchasing experience and the employees treatment in stores, 'everything *Apple'* has an inherent ease of use and brings delight to the customer (DeBord, 2012; Elliot, 2012).

According to Jack Morton's study, *Apple* was elected as the number one brand that offers unique experiences. The study also unveiled that 44% of the respondents are willing to pay a premium price for a product, if they know it will provide a unique experience with the brand, and that over 60% of the respondents believe the overall and distinctive experience with a brand is the biggest trigger of the purchasing decision (Jack Morton, 2011).

The success of a brand is largely related to the experiences they built in people's hearts and minds – the brand is the sum of all the sensations people feel when interacting with it. The fact that *Apple* was named the most valuable brand in the world is related not only to its stock price or intellectual property, but especially with its intangible assets – these are what put *Apple* in an overwhelmingly powerful position compared to its competitors and the reason why many believe the *Apple* brand experience has no peers (catalysto).

1.2 OBJECTIVES AND STRUCTURE OF THE STUDY

The effects of brand experience and consumer-brand relationship on brand loyalty have been largely studied and proved in the literature (Aurier & N'Goala, 2010; Brakus, Schmitt, & Zarantonello, 2009; Choi, Ok, & Seon, 2011; Mohammad, 2012; Morgan & Hunt, 1994; Sahin et al., 2011, 2012; Yang & Peterson, 2004). The impact of brand perceived value on the consumer-brand relationship constructs – brand trust, brand satisfaction, and brand commitment – has also

been addressed (Aurier & Lanauze, 2011; Aurier & N'Goala, 2010; Gounaris, Tzempelikos, & Chatzipanagiotou, 2007; Johnson, Herrmann, & Huber, 2006; Mosavi & Ghaedi, 2012; Ok, Choi, & Hyun, 2011; Oliver, 1996; Parasuraman, 1997; Sweeney & Soutar, 2001; Yang & Peterson, 2004).

The purpose of this study is therefore to fulfill the gap in the literature related to the effect of brand experience on brand perceived value and on price perceptions, as well as the impact of price perceptions on consumer-brand relationships. Also, we intend to disclose the differences between the perceptions of *Apple* clients and non-clients toward the brand, reason why we developed and tested two separate models for each case. Through this study, we aim to achieve three main objectives:

i. Develop and empirically test two models – one referring to the *Apple* non-clients' case that evaluates their brand experience, brand perceived value, price perceptions, and brand trust – and another more complete model for the *Apple* clients' case – which evaluates all the previous constructs, as well as brand satisfaction, brand commitment, and brand loyalty.
ii. Unveil the differences between *Apple* clients and non-clients regarding brand experience, brand perceived value, price perceptions, and brand trust toward the brand in question – and in that way draw conclusions about the importance of the experience with the brand in order to structure a certain perception about it.
iii. Examine the antecedents of brand loyalty for the *Apple* clients' case, emphasizing the understudied relationships between brand experience and brand perceived value and price perceptions, as well as the proposed new relationships between price perceptions and consumer-brand relationships.

This study is developed in six chapters. The present chapter regards the introduction, where we briefly present the issue of the study, the objectives we aim to achieve, and the structure and methodology used. In Chapter II – Contextualization of the brand, we focus on the history of *Apple*, as well as its position on the market: the evolution on the stock market, the most valuable brand achievement, and the competition. The next chapter concerns to the literature review of all the constructs that compose the proposed conceptual models, emphasizing the causal relationships between those constructs that ultimately lead to brand loyalty. The hypothesis and proposed conceptual models are presented in Chapter IV. In Chapter V the methodology used and results obtained are described. Finally in Chapter VI takes place a discussion regarding the findings

and conclusions of the study, from the theoretical and managerial point of view, as well as the limitations and future research.

1.3 METHODOLOGY

Two types of investigation were held in order to complete the present study – exploratory research and descriptive research.

With the first, we intended to perform a review regarding the relevant studies in the literature related to the constructs adopted for the proposed conceptual models. The exploratory research allowed the development of variables used in this study, and also to present literary support for the relationships proposed between those variables.

The descriptive research fulfills the aim of describing and characterizing the perceptions of the Portuguese academic community (including students, professors, and researchers) toward a specific brand – *Apple*. It also has the goal of highlighting the differences between the perceptions of those who are actual clients of the brand, and those who know and have an opinion about the brand, but do not buy its products. The required data was obtained through a survey, and was collected online and through personal contact with the respondents. According to the two different conceptual models proposed, two different surveys were applied, one for the *Apple* clients and the other for the non-clients. The data was then analyzed separately for each model, resorting to statistic analysis – descriptive statistic, multi-collinearity analysis, exploratory factor analysis, linear regression, and an ANOVA test of loyalty level differences among product categories for the *Apple* clients.

CHAPTER II – CONTEXTUALIZATION OF THE BRAND

2.1 REVIEW OF *APPLE'S* EVOLUTION

As most companies, *Apple* started small and struggled to succeed. The company was founded in 1976, as the dream of two young men – Steve Jobs and Steve Wozniak – who were fascinated by computers and wanted to build their own. However, the creation of the personal computer, available to everyone and not just to companies or Universities that could afford the huge and expensive models of the time, was far from smooth. *Apple* as the success we know today took years of trials and errors (Lüsted, 2012).

2.1.1 THE GENESIS

Steven Paul Jobs was born in San Francisco, California, in 1955. Adopted by Paul and Clara Jobs in his early weeks of life, Steve was a very curious child. Throughout his teen years he was described as a loner, who preferred wonder around his neighborhood visiting some of his adult neighbors working in new technological advances (Lüsted, 2012).

In 1971, Steve Jobs met Steve Wozniak through a mutual friend. One year later, Jobs graduated and went to College, but after one semester he dropped out. However, instead of coming back home, he hang out on campus, living in empty dorms and meditating about the path he wanted to follow in his life. In 1974, Jobs moved back home with his parents and started working at *Atari*, a video game company (Lüsted, 2012). Meanwhile, Wozniak started working at *HP*. He was still friend with Jobs, who would sneak him into the *Atari's* headquarters after hours so that he could play video games for free. In turn, Wozniak helped Jobs with technical problems he could not handle, such as designing a new video game (Lüsted, 2012).

Apple began in the Santa Clara Valley vicinity of California when it was taking on its new name – Silicon Valley (Linzmayer, 2004; O'grady, 2009). Jobs eventually convinced Wozniak to mass produce and sell his computer design, and the two first began building *Apple* computers on Jobs' parents living room and later moved to their garage. Wozniak was the engineer while Jobs was a

natural marketing maven, and the two created a synergy that enabled them to build and promote computers in a way no one had done so far (O'grady, 2009).

2.1.2 FROM *APPLE I* TO *MACINTOSH*

In 1975, Wozniak began developing an idea of a user-friendly desktop computer that could use a standard typewriter QWERTY keyboard, instead of switchers to enter data. Wozniak's idea was also to connect the computer to a regular television instead of an expensive printer or monitor (Lüsted, 2012). The path to the creation of *Apple* was set.

Apple I was the result of that work. Hand-built by Steve Wozniak in Steve Jobs' parents garage and first introduced at the Homebrew Computer Club in Palo Alto, California, in 1976, *Apple I* was originally a do-it-yourself kit which did not even come with a case. Even so, as the first all-in-one microcomputer that, once hooked up to a keyboard and monitor, did not require extra circuitry to display text, it was a giant step forward over the competition (TIME Lists, 2013).

After *Apple I* was complete Wozniak immediately started to think of ways to make his designs better – "*he wanted to optimize them, use fewer chips and less expensive materials, make them faster, more powerful, and colorful*" (O'grady, 2009, p. 5). *Apple II* was the successor and the first personal computer designed for the mass market (Linzmayer, 2006). Jobs knew he needed to get outside funds in order to make the *Apple II* a reality and it was then he met Armas Clifford 'Mike' Markkula Jr., who co-signed for a bank loan for $250.000. Jobs, Wozniak and 'Mike' formed *Apple Computer*, on April 1, 1976 (O'grady, 2009).

The next *Apple* computer – *Apple III* – was designed for business users and challenged the notorious *Big Blue* from *IBM*. However, this computer ended up being a commercial failure, largely due to its expensive price compared with the competition. One year after the *Apple III* launch (in 1980), *IBM* conveniently showcased its *Personal Computer* (*PC*) benefiting from *Apple's* recent reputation of poor reliability, and so business users fled for the comfort and familiarity of *IBM* (Linzmayer, 2006; O'grady, 2009).

Following the *Apple III* computer fiasco, *Apple* focused on a new one which would revolutionize computing and popularize terms such as *mouse*, *icon*, and *desktop* – the computer *Lisa*. But *Lisa's* launch ended up being a disappointment, mainly due to its sky-high price of $9.995; however, it was the precursor to a much more successful project – the *Macintosh* (O'grady, 2009).

Meanwhile, in 1980, *Apple* went public, debuting on the stock market with a valuation of $1.8 million, making *Apple* the largest IPO since *Ford* went public, in 1956 (Linzmayer, 2006).

In order to avoid the repetition of the *Apple III* flop, Steve Jobs removed himself from the *Lisa* project and began to focus on a new one – the *Macintosh*. The underlying concept was to create an easy-to-use, low-cost computer, equipped with everything an end-user could possibly want in a complete package (O'grady, 2009). Jobs introduced the *Macintosh* at the company's annual shareholders' meeting on January 24, 1984. At the price of $2.495, *Macintosh* was the first affordable computer to offer a graphical user interface, replacing the text-based operating systems for an intuitive layout of folders and icons (TIME Lists, 2013). The *Mac's* famous Super Bowl ad – '*1984*' – directed by Ridley Scott, would become a pop icon in its own right, ever sending a message of *Apple* as the epitome of non-conformity (Elliot, 2012; TIME Lists, 2013).

2.1.3 A NEW ERA – SCULLEY, SPINDLER, AND AMELIO

John Sculley was a former vice-president of *PepsiCo*, and was recruited by Jobs himself, who convinced him to take the job by asking '*Do you want to spend the rest of your life selling sugared water, or do you want a chance to change the world?*' (Elliot, 2012). Sculley was named *Apple's* CEO on April 8, 1983. His mission was to apply his marketing skills to the personal computer market, since *Macintosh's* success was not enough to beat the *IBM PC*. Sculley's strategy of releasing dozens of models with hundreds of configurations was contradictory to *Apple's* reputation of simplicity, and translated into poor sales. The conflicts between Jobs and Sculley grew stronger and eventually resulted in Steve Jobs' resignation, in 1985 (O'grady, 2009). After leaving *Apple*, Jobs founded a new company – *NeXT* – whose core business was building futuristic computers based on the *NEXTSTEP* operating system, but these computers did not sell due to the elevated price. Jobs also purchased the computer-graphics division of *LucasFilm*, in 1986, and renamed it *Pixar*. The return of Steve Jobs to *Apple* occurred in 1997, after *Apple* bought *NeXT*, in December of 1996, for the extraordinary amount of $429 million (O'grady, 2009).

Meanwhile, in 1992, *Microsoft* released *Windows 3.1*, considered good enough, catching-up with *Macintosh's* ease of use, which made *Apple's* market share percentage drop even faster (Linzmayer, 2006). Sculley was removed and Michael Spindler was selected as *Apple's* President and CEO, in 1993 (O'grady, 2009).

In 1994, Spindler surprised everyone by announcing a switch to the new *PowerPC* chips, from the big rival *IBM*. Although this was a successful project, Spindler also had some downfalls during his term, including the failure of the *Newton* and the *Copland* operating systems (O'grady, 2009). In 1995, *Microsoft* introduced *Windows 95*, erasing the differences between *Mac's* and *Windows'* user interface on the public's mind (Linzmayer, 2006). Spindler was replaced by Gil Amelio, in February of 1996 (O'grady, 2009).

Amelio, a veteran of *National Semiconductor*, pointed out some of the reasons for *Apple's* continuous failure, namely, "*a lack of cash, a lack of quality hardware and software, a lack of focus, and an out-of-control culture*" (O'grady, 2009, p. 12). During his term, he laid off one-third of the staff, discontinued the *Copland OS* and shipped *Mac OS 8*. It was also during his term that *Apple* bought Jobs' *NeXT*, and the *NEXTSTEP* operating system would become the foundation for *Mac OS X*, which turned out a great success (O'grady, 2009).

Apple sales remained low and there was a lack of direction. The company's stock price hit its lowest point under Amelio's leadership, mainly due to confusion about the product line. The board decided they needed Jobs back, and he returned to *Apple* in December 1997, as part of the acquisition of *NeXT*, and subtly orchestrated the removal of Amelio, assuming the role of interim CEO (Linzmayer, 2006; O'grady, 2009). "*He had become a far better leader, less of a go-to-hell aesthete who cared only about making beautiful objects*", wrote Fortune's editor Peter Elkind of Steve Jobs' triumphant return – "*Now he was a go-to-hell aesthete who cared about making beautiful objects that made money*" (TIME Lists, 2013).

2.1.4 A DECADE OF REINVENTING THE INDUSTRY

The return of Steve Jobs to *Apple*, in 1997, occurred at the company's lowest point. Jobs took the reins back raising money and restructuring the company's product line. The next step was the creation of *iMac*, the machine that would save *Apple* (O'grady, 2009). *iMac* was introduced in 1998, at a $1.299 price, dubbed as '*the Internet-age computer for the rest of us*', proving that *Apple* was still a force to be reckoned with (Linzmayer, 2006). The elimination of the tangle of device cords that typically powered and connected the computer and monitor made the *iMac* attractive to users who did not know much about computers (TIME Lists, 2013). And also, this new machine triggered the '*No Beige*' marketing campaign – opposite to the traditional beige computers of the time, *iMac* had a curvy translucent blue case (O'grady, 2009).

This computer was a huge hit and became the symbol of *Apple's* return, bringing viability and profitability to the company, as well as setting tone on computer design as a whole. One of the most influential person in this path to recovery was Jonathan Ive, the main designer of *iMac*, *iPod*, *iBook*, and *iPhone* (O'grady, 2009).

Finally, in 2000, Steve Jobs accepted the role of CEO, splitting his time between Cupertino and Emeryville, where he was also CEO of *Pixar* (Linzmayer, 2006). *Apple* then began a rebirth phase, in 2001, based on three key strategies: *Mac OS X*; *Apple* retail stores; and *iPod*.

Mac OS X was *Apple's* first multi-threaded, protected memory operating system, and was the climax of stability, reliability, and security (O'grady, 2009). Praised as virtually crash-proof, *OS X* was also noted because of its 'aqua' look and feel, soft edges and translucent colors. Its stability, speed and ease of use became a major selling point for new *Mac* users who switched from *Windows*-driven PCs (TIME Lists, 2013).

On the other hand, the launch of a line of retail stores was a big gamble at the time, but ended up being an essential turning point for the company. *Apple* built a prototype store (whose concept was borrowed from the *Four Seasons Hotel*) and introduced one of the greatest innovations, the 'Genius Bar' – a station located inside every *Apple* store, devoted to offering help and technical support to the customers (Elliot, 2012). These retail stores proved to be very lucrative, since *Apple's* store sales are the highest in the industry – in 2004, *Apple* reached $1 billion in annual retail stores, faster than any retailer in the United States (O'grady, 2009).

The third revolutionary *Apple* strategy was the *iPod* – a portable music player, with its innovative interface, impressive storage capacity and download capability. *iPod* enabled people to carry thousands of songs in a compact and comfortable way – *"You can fit your whole music library in your pocket*" said Steve Jobs (TIME Lists, 2013) – and made it easy for people to access music through an innovative scroll and hierarchical menu system, focusing on an unprecedented simplicity. *iPod* became the most significant consumer product of 2001, and maybe of the decade (O'grady, 2009).

In 2003, building on its *iPod* success, *Apple* opened the *iTunes Music Store*, with over 200.000 tracks available for the convenient price of 99 cents each (Linzmayer, 2006). Later, in 2006, *Apple* announced that one billion songs had been legally downloaded from the *iTunes Music Store*, since its launch (Gardner & Neumayr, 2006).

On January 9, 2007, Steve Jobs announced at the Macworld Expo that *Apple* was dropping the word 'Computer' from its name, becoming '*Apple, Inc.*'. The explanation was that *Apple* was no longer just a computer company – it had the *Mac*, *iPod*, *Apple TV*, and *iPhone* (Honan, 2007). The change from '*Apple Computer, Inc.*' to merely '*Apple, Inc.*' reflected the repositioning of the company into the consumer electronics area instead of a purely computer company (Honan, 2007; Lu, 2007).

On June 2007, *Apple* showcased the *iPhone*, named TIME's '*Invention of the Year*'. On its release, enormous lines were formed outside *Apple* stores – and the reviews praised wonders about the 'phone-music player-pocket computer' that sold 1.4 million units by September of that same year. One year later, *iPhone 3G* was released at $199, which seemed to be a good value proposition – in the United States, every *iPhone* model, including this year's *iPhone 5*, has started at the same price, as long as clients sign a new two-year contract with a mobile phone service provider (TIME Lists, 2013). In Portugal, for example, *iPhone* 4s (operator free) is sold at €399, while new *iPhone 5c* price varies between €599 and €699, and *iPhone 5s* varies between €699 and €899 (both operator free). It is possible to buy an *iPhone* for a lower price, as long as the client signs a two-year contract with the mobile phone operator (Magno, 2013).

Steve Jobs then unveiled the *iPad* on January 2010 – what many believed was just a giant *iPhone*. However, the idea of a giant *iPhone* stuck as glue among the consumers and *iPad* paved the way on a seemingly moribund tablet category, becoming *Apple's* fastest-selling new product ever and inspiring the traditional magazine publishers to release digital editions built especially for *iPad*. Innumerous electronic companies copied and released lookalike tablets, none of them beating the *iPad*. By June of 2012 — four months before the released the *iPad Mini* — *Apple* had sold 84 million of those 'giant *iPhones*' (TIME Lists, 2013).

2.1.5 THE PRESENT DAYS

On October 5, 2011, Steve Jobs – the mastermind behind *Apple's iPhone*, *iPad*, *iPod*, *iMac* and *iTunes* – died at 56 years old, after years of fighting a form of pancreatic cancer and a liver transplant. (Potter, Curry, & James, 2011).

Jobs was first diagnosed with cancer in 2003, but his condition was not made public until the following year. From the early beginning, both Jobs and *Apple* kept the details of his illness as vague as possible – however, the *Apple* co-founder was privately struggling. On January 2009 he

was forced to go on extended sick leave (time when he underwent a liver transplant). He returned to work 5 months later, in time to launch a string of successful products. Nevertheless, his frail figure made it obvious he was still struggling, and by January 2011 he went on medical leave again. He returned in March to introduce the *iPad 2*, receiving a standing ovation, but finally resigned as CEO on August that year (Miller, 2011), handing the reins to long-time deputy Tim Cook, hand-picked by Steve himself before succumbing to pancreatic cancer (Kane & Flower, 2011; Schuppe & Fernandez, 2012).

Although it was public knowledge that Jobs was suffering from the disease, his death came as a shock to the world. His successor Tim Cook has faced many critiques as well as the overpowering doubt of those who believe *Apple's* future is doomed without Steve Jobs at its helm. However, Jobs was always committed to finding the right people to surround him. Over the last decade, he spent a lot of time and energy in assembling an executive team that could function without him. People like Tim Cook, Jonathan Ive, Phil Schiller, Bob Mansfield, Eddy Cue, and Scott Forstall each bring great contribution to the team (Macworld Staff, 2012).

Although Steve Jobs will always impact the shape of the company to a certain degree, that does not mean *Apple* relies solely on his back – actually, he intended for that not to happen. According to Cook, Jobs once told him how *Disney* employees would ask themselves what the company's late founder, Walt Disney, would do in certain situations – "*And he looked at me with those intense eyes that only he had, and he told me to never do that, to never ask what he would do*" Cook said (Macworld Staff, 2012).

By August 2012, *Apple* delivered a rare earnings disappointment. Weak *iPhone* sales growth was the main cause, which *Apple* tried to explain by citing 'rumors and speculation' about a new *iPhone* that could be leading consumers to wait for the new model. Despite not achieving the *Wall Street* expectations of $37 billion sales, *Apple* has since rebounded, in part because the company's stock is still seen as safe in an especially turbulent market (Gustin, 2012).

Regardless of all the tribulations, Steve Jobs instilled a culture of innovation and execution within *Apple's* DNA that has the strength to prevail in the future – led by CEO Tim Cook, the company's chief operating officer for the last decade, instrumental in *Apple's* production and supply-chain operation (Gustin, 2012).

It is undeniable, however, that the *Apple* cult and devotion individuals have toward the brand was nurtured by Steve Jobs' charismatic leadership and marketing capabilities. Literature focusing on his biography shows that he was not an easy man to work with, but his persistence and ability to create ideas and market them successfully are unquestionable, and ultimately helped him build the most valuable technology company in the world (Lüsted, 2012).

2.2 *APPLE'S* POSITION IN THE MARKET

Currently, *Apple* offers four main product lines – *Mac*, *iPod*, *iPhone*, and *iPad* – in addition to innumerous applications, including the *iTunes*, and accessories (Apple Inc., 2013).

The *Mac* line is comprised nowadays by the *MacBook Air*, *MacBook Pro*, *Mac mini*, *iMac*, and *Mac Pro*. The new operating system *OS X Mavericks* has already been released – it is the successor of *Mountain Lion* – and the company has available innumerous accessories and applications. In the *iPod* line, one can find the *iPod shuffle*, *iPod nano*, *iPod touch*, and *iPod classic*, as well as the *Apple TV* device, headphones and accessories. The *iPhone* has faced great evolutions; currently the latest models are available for purchase on the *Apple* store – *iPhone 5c* and *iPhone 5s* – along with several applications and accessories. The *iPad* line currently showcases the *iPad mini with Retina display* and the newly released *iPad Air*, along with *iPad* accessories (Apple Inc., 2013).

iOS is *Apple's* mobile operating system, used in the *iPhone*, *iPad*, and *iPod touch*. *iOs 7* is the latest launch of the arguably world's most advanced mobile operating system, as its easy-to-use interface and features keep *Apple* devices the most easy and intuitive to use (Apple Inc., 2013).

iTunes is a free app which allows users to organize and play music, as well as video, on their computer and other *Apple* devices. *iTunes* compiles everything (music, movies, and TV shows) in one single place, by allowing users to import the files into *iTunes* and quickly browse the whole collection. The latest innovation was the *iTunes Radio*, with free streaming of radio stations. Complementarily, *iCloud* makes it possible to store and access contents, such as photos, calendar, contacts, documents, and more, from whatever *Apple* device the client is using, wirelessly and without syncing (Apple Inc., 2013).

2.2.1 *APPLE'S* EVOLUTION IN THE STOCK MARKET

Analyzing *Apple's* historical evolution in the stock market, we can divide it in three periods: the early years, the Jobs' golden era (Nerney, 2010), and the post-Jobs' time.

The first period begins with the Initial Public Offering, in 1980, and goes across the time when Steve Jobs left the company, due to a power struggle with the board, in 1985 (Nerney, 2010).

The second began in 1997, when the company co-founder was named interim CEO, and long-lasted through a strategic change of cutting dozens of products to focus solely on what *Apple* could do best – the world witnessed *Apple's* success grow as the *iMac*, *Mac OS X*, *Apple* stores, *iPod* and *iTunes*, *iOS*, *iPhone*, and finally *iPad* were unveiled, awing and revolutionizing the entire industry (Linzmayer, 2004; Nerney, 2010; O'grady, 2009; TIME Lists, 2013).

On October 5, 2011 Steve Jobs succumbed to his pancreatic cancer, leaving Tim Cook the task of presiding the company he co-founded with Steve Wozniak. His passing caused a big turmoil among investors, as well as the general public, as many people believed *Apple* could not continue one of the world's most valuable and innovative companies without its maven Steve Jobs (Kane & Flower, 2011; Macworld Staff, 2012; Schuppe & Fernandez, 2012).

So *Apple* underwent different periods overtime, and it has not been all uphill. Chart 1 divides the first from the second periods (1985 – 1997, when Jobs left Apple; 1997 – 2010, under Jobs' guidance) and shows that *Apple's* stocks climbed above $300 for the first time on October 6, 2010, nearly 30 years after *Apple's* IPO in 1980. But in the meantime, like almost every technology company, *Apple* endured a rough few years after the Internet bubble burst in March 2000, and had another down-slide in the second half of 2008, during the severe recession (Nerney, 2010).

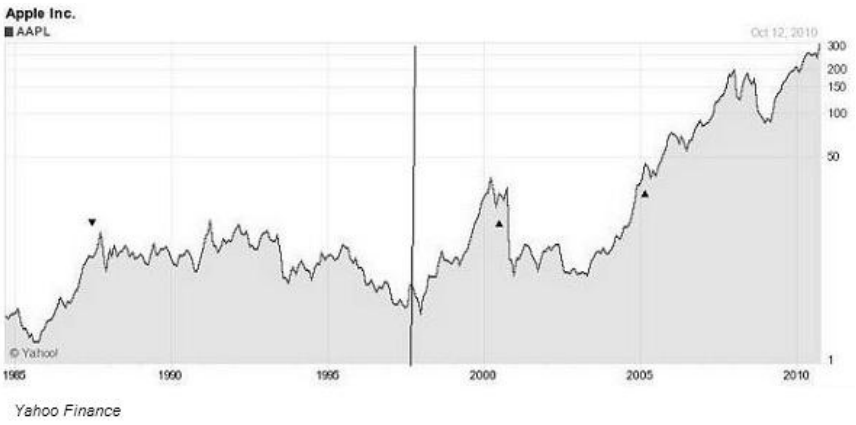

Chart 1 – *Apple's* stock price evolution from 1985 to 2010.

(Nerney, 2010)

After that period, *Apple* would face a big loss in 2011, with Steve Jobs' death, which concerned a great amount of people regarding the future of the company. However, less than a year after Jobs' passing, *Apple* became the most valuable company in history in terms of market capitalization, on August 20, 2012 (see Chart 2). The company achieved a market-capitalization of over $620 billion with shares trading over $662.00 apiece. Some of the reasons appointed for this rise in the stock were the surfacing of rumors surrounding the *iPhone 5* as well as the *iPad Mini*. Then, in September, around the time of *iPhone 5* release, *Apple's* stock hit the $720 billion mark, once more reinforcing its value. This put *Apple* way ahead its long-time rival *Microsoft*, who at that period presented a market-capitalization of about $257 billion – although *Microsoft* had hit its all-time high on December 30, 1999, at the height of the technology bubble, reaching around $850 billion in inflation-adjusted dollars (Forbes, 2012).

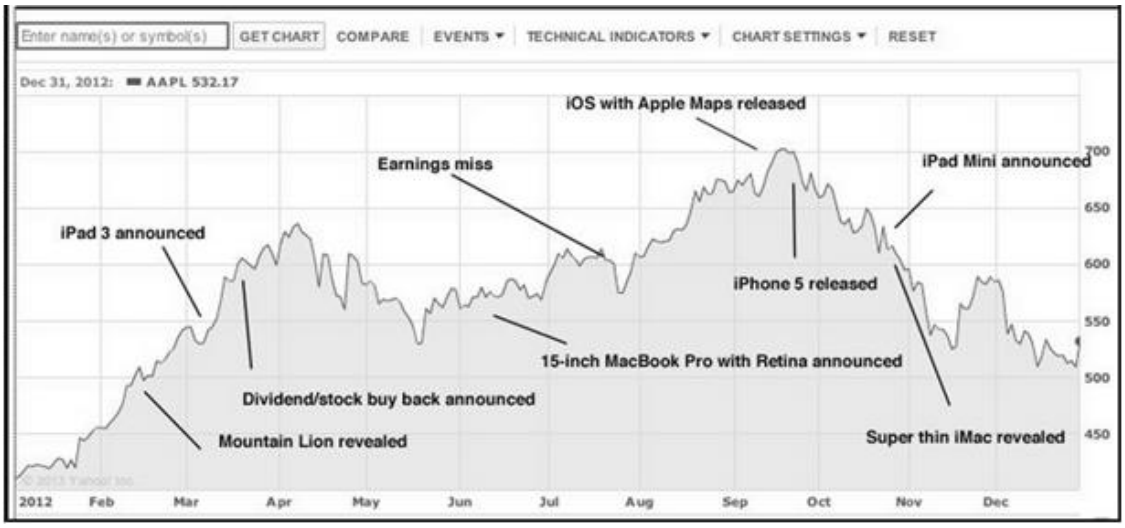

Chart 2 – *Apple's* stock price evolution from January 2012 to January 2013.

(Yarow, 2013)

Since that high peak in 2012, *Apple's* gross margin and stock price have fallen. In April this year, the fall of *Apple's* stock price hit the 40% mark, vaporizing almost $300 billion of market value. One of the reasons for this collapse is related to *Apple's* profit margin dramatic drop over the past year. Also, the growth of *Apple's* biggest and most profitable product, *iPhone*, stagnated. From January to April 2013, *iPhone* sales grew only 7%, which was well below the estimated 30% growth rate for the smartphone industry as a whole. The possible justification for that deceleration is that the growth of smartphone market has now moved out of rich developed markets into poorer emerging markets – *Apple's* distribution is limited in these markets, and its products are just too expensive to compete (Blodget, 2013).

So in the first semester of 2013, there was a noticeable concern with *Apple's* future, mainly due to a significant decrease of *iPhone's* sales growth – that was about to change.

On the Worldwide Developers Conference (WWDC), in June, *Apple* introduced the all-new *iOS 7*, *OS X Mavericks*, the new *MacBook Air* and gave a preview on the new *Mac Pro* (Apple Keynote - WWDC, 2013). Amidst all the speculation about *Apple's* big drop on the stock market, Tim Cook opened up the WWDC with a pack of astonishing numbers that would rise even further in September, with the new *iPhone 5c* and *5s* sales. Figure 1 shows a brief of the results presented at the Conference.

Then, in September, Tim Cook announced, among other things, the *iPhone 5c* and *iPhone 5s*, two models created to satisfy different needs in the market. On September 23, 2013, *Apple* set a new all-time record for *iPhone* launch sales: a reportedly 9 million total *iPhone 5c* and *5s* units were sold over that weekend, well over the 5 million of the *iPhone 5* launch the previous year. Also more than 200 million devices were already running *iOS 7*, the latest mobile software launched – that is the fastest software upgrade in history, according to *Apple* (Fingas, 2013).

2.2.2 *APPLE* NAMED MOST VALUABLE BRAND IN THE WORLD

Corroborating the legions of adoring fans that broke the sales record with the *iPhone 5c/5s* purchases, brand consulting company *Interbrand* has named *Apple* this year's most valuable brand in the world, overtaking *Coca-Cola* after its 13-years-rein in the head of the 'Best Global Brands' list (Padilla, 2013).

According to *Interbrand*, "*for revolutionizing the way we work, play, and communicate – and for mastering the ability to surprise and delight – Apple has set a high bar for aesthetics, simplicity, and ease of use that all other tech brands are now expected to match, and that Apple itself is expected to continually exceed*" (Interbrand, 2013).

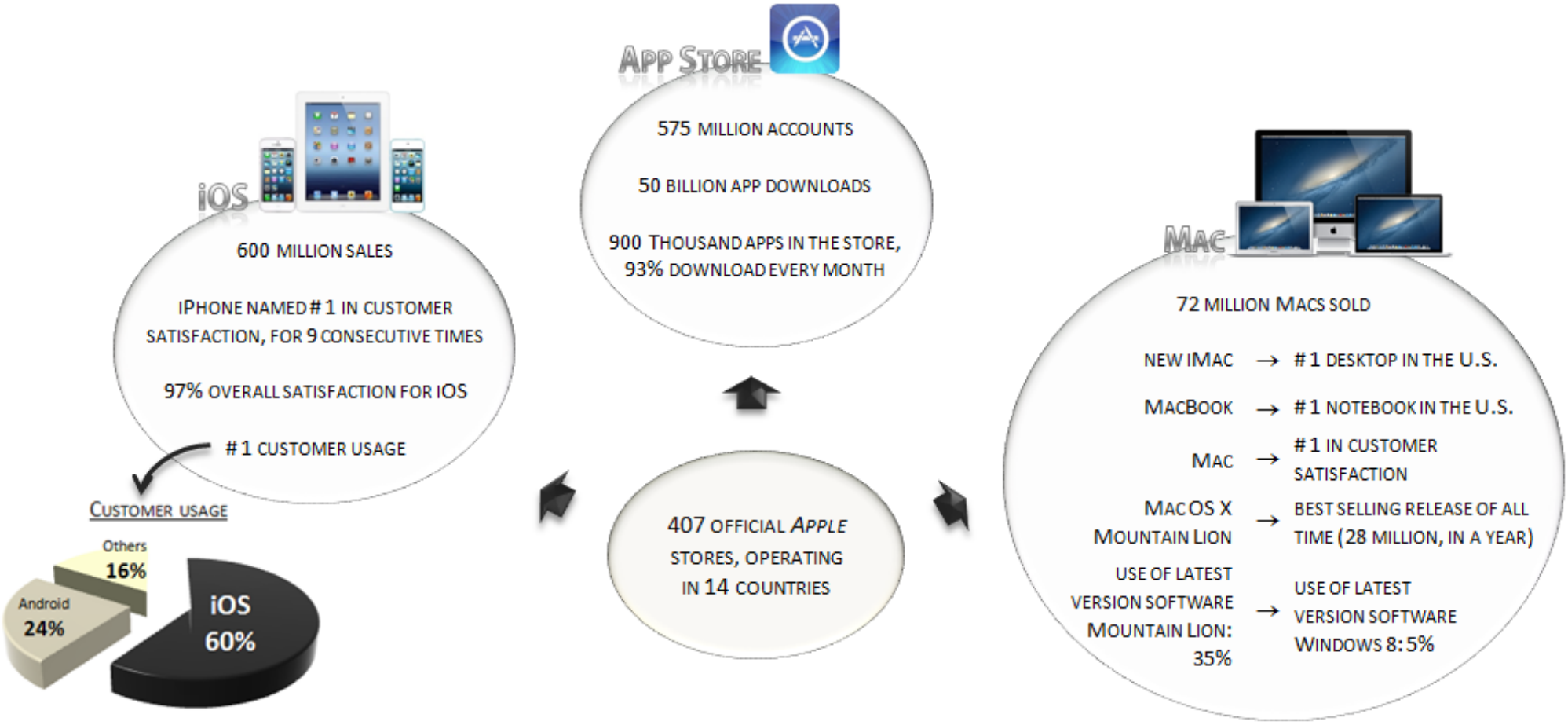

Figure 1 – *Apple's* sales numbers, presented on the Worldwide Developers Conference, in June 2013.

(Apple Keynote - WWDC, 2013)

Apple reached a financial pinnacle in 2012, becoming the most valuable company of all time. Although that peak was not sustained, *Apple* counts today 72 million *Macs* in use, over 600 million *iOS* devices sold, and *Apple* stores are performing better than any other physical retail store – the brand has been awarded by its stores' distinctive design and layout (Interbrand, 2013).

Chart 3 shows a comparison between *Apple* and the rest of the technology sector, regarding brand value.

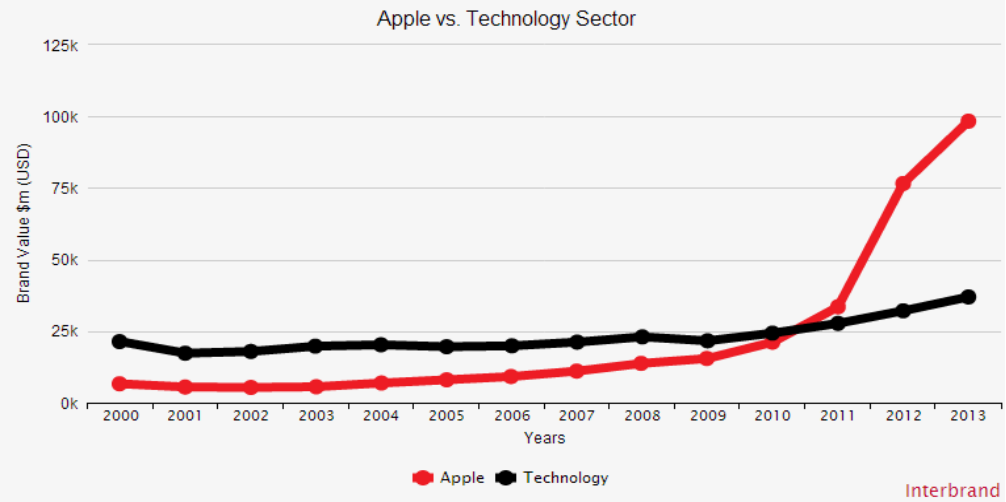

Chart 3 – Comparison between *Apple* and the rest of technology sector, regarding brand value.

(Interbrand, 2013)

2.2.3 THE COMPETITORS

Regarding the competitive landscape, is hard to name *Apple's* biggest opponent, since the company makes a wide variety of products that penetrate many different markets (Arnold, 2013).

Nevertheless, dividing the products by markets, we may present some of *Apple's* biggest competitors. In the *iPod* era, there was *Creative* and *Sony* and many others. In the smartphone market, *Samsung* is undoubtedly the highest contender. As for the competitors in the tablet market, perhaps *Amazon*, *Samsung* or *Microsoft* qualify as potential threats. And *iTunes* might be threatened by *Netflix* or *Spotify*. The *Mac* surely competes with *HP*, *Dell*, and *Toshiba*. On the other hand, *iCloud's* biggest competition is *Dropbox* or *Google Drive* (Arnold, 2013; Dediu, 2013).

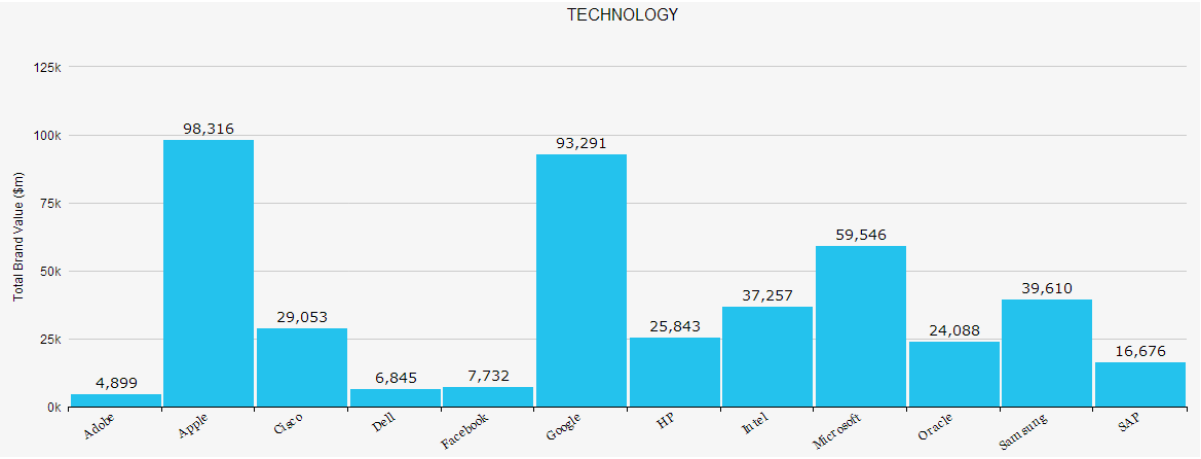

Chart 4 – Brand value comparison for the technology sector.

(Interbrand, 2013)

Currently, is difficult to decide whether *Apple's* highest competitor is *Google* or *Samsung*. *Google* qualifies as an *Apple* competitor on multiple fronts: smartphones – recently unveiled the *Android*-powered *Moto X*; cloud service – *Google Drive*; and wearable tech products, which *Apple* is rumored to enter soon – *Google* has already ventured into this growing market with its *Google Glass* product (Arnold, 2013). However, *Google* has shown steady but not spectacular growth in revenues with decreasing margins (Dediu, 2013).

Samsung, on the other hand, has showed a great rise driven by *Galaxy*-branded smartphones that have become extremely popular, directly fighting *Apple's iPhone* (Minyanville Staff, 2013). Also in the tablet market, *Samsung* provides competition with the *Samsung Galaxy Tab* line. And finally, *Samsung* already released the *Samsung Galaxy Gear Smartwatch*, being ahead of *Apple's* much rumored *iWatch*. Many believe *Samsung's* recent growth has to do with the fact that its devices and operating systems are stable, reliable and useful, and they are being marketed well. Even though *Samsung's* great growth is undeniable, Dediu (2013) argues there is doubts about its sustainability, mainly due to lower operating margins than the rivals *Apple*, *Google*, and *Microsoft*.

Just as *Microsoft* was *Apple's* archrival during the *PC* era, *Samsung* has now risen as one of *Apple's* biggest opponents in the age of mobile devices, beating once strong names such as *Nokia* and *BlackBerry*. In turn, many consider *Google* the main competitor for *Apple* in the long run (Minyanville Staff, 2013).

This year, *Apple* bested *Google* who is now the current runner-up to the most valuable brand in the world (see Chart 4), and is also ahead of rival *Samsung* – who enters the top 10 'Best Global

Brands' for the first time (Padilla, 2013). Regarding *Microsoft*, *Mac* sales have grown an average 15 percent per year, compared with 3 percent growth for the *PC* market (Interbrand, 2013).

Chart 5 demonstrates the positioning of *Apple* in the technology sector, compared with its major rivals *Google*, *Samsung* and *Microsoft*, regarding brand value.

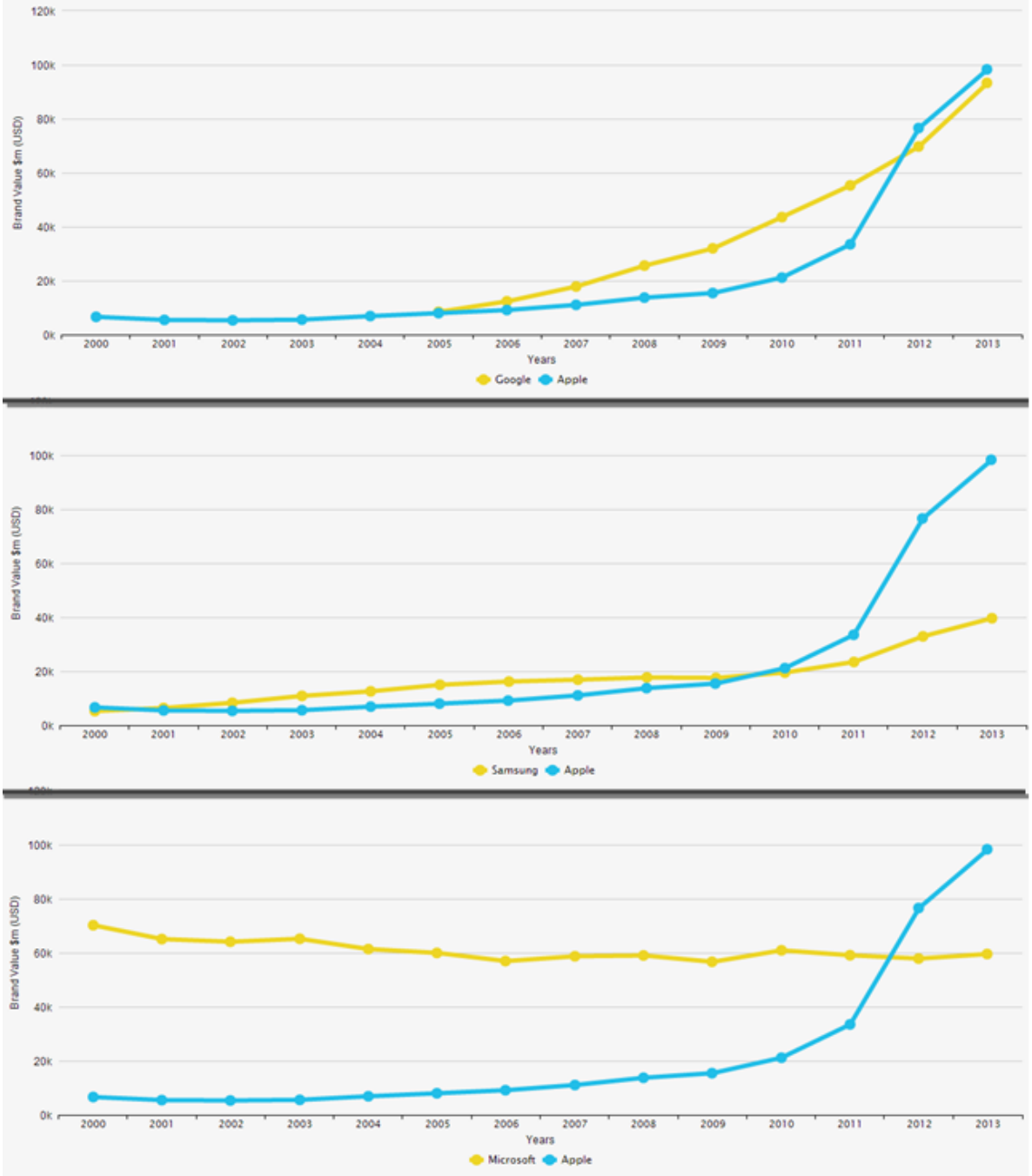

Chart 5 – Brand value comparison between *Apple* and (1) *Google*, (2) *Samsung*, (3) *Microsoft*.

(Interbrand, 2013)

CHAPTER III – LITERATURE REVIEW

3.1 BRANDS

A brand is a name given to a particular product or service to distinguish it from its competitors. According to Kotler, Keller, Brady, Goodman, and Hansen (2009, p. 425), *"a brand is a name, symbol, logo, design or image, or any combination of these, which is designed to identify the product or service"*. For several managers, however, brand is much more than that – is the creation of awareness, reputation, prominence and so on, in the marketplace (Keller, Apéria, & Georgson, 2008). A brand can also be interpreted as the expectations and perceptions arising from the experience of the product or the organization (Davis, 2002).

Besides this commonly accepted definition of brand, Chernatony and Riley (1998) made an extensive literature review and found twelve themes where we can categorize a brand as a: legal instrument, logo, company, shorthand, risk reducer, identity system, image in consumers' mind, value system, personality, relationship, adding value, and evolving entity. For the purpose of the present study we will focus on the consumer-brand relationships, although this dimension inevitably incorporates some of the others.

The brand's components, both tangible and intangible, interact with consumers and, over time, they build a more established brand in consumers' mind (Mohammad, 2012). A brand is indeed a product or service whose dimensions differentiate it from the competitors designed to satisfy the exact same needs (Kotler et al., 2009).

Brands have a vital impact on consumers' choice of products, since they give them the functions that meet their desires, as well as the status they want to achieve in the community. The more the customer is aware of the brand, the higher the probability of loyalty to that brand – in fact, famous brands have the ability to more efficiently spread the benefits associated with that brand than unknown brands, thereby consumers prefer famous and known brands (Mohammad, 2012).

This leads to a very important distinction: brand identity and brand image. The first concerns to the way a company wants to identify or position itself or its products in the marketplace. Brand image, however, relates to the way consumers actually perceive the brand and it is achieved by

the visual or verbal expressions of the brand, which lead to psychological or emotional associations the brand hopes to trigger in consumers' mind (Kotler et al., 2009). The power of the brand relies on what is inside the consumers' mind, showing the extreme importance of brand image. There has been an association of emotional responses with brands, namely sensory pleasure, aesthetic beauty and excitement, and it has been acknowledged that people express themselves through their brand choices, since people brand themselves by the clothes they wear, the people they associate with, the places they go, the music and the uploads they have in their social sites, among many other ways (Kotler et al., 2009).

Brands are intangible assets of great value both to companies and consumers. Brands can create relationships with consumers, whether positive relationships, by being loyal to the brand, or negative relationships, by changing to another brand. In sum, brands are extremely important for companies, since they attract consumers, influence their behavior and encourage them to repeat the purchase process (Mohammad, 2012).

3.2 CONSUMER-BRAND RELATIONSHIP

Fournier (1998) introduced the consumer-brand relationship theory (also referred to as brand relationship quality), that has demonstrated its usefulness for understanding the dynamics of the connection between consumers and brands, and the role brands play in consumers' life (Sung & Choi, 2010).

In their literature review, Chernatony and Riley (1998) acknowledge the view of a brand as a relationship. Fournier (1998) also defended that interdependence between consumers and brands must exist in order to build a relationship, and that to legitimize the brand as a partner, consumers highlight the ways brands are animated, humanized or personalized – consumers do not see the brand as a passive object, but as an active member contributing to the relationship. Previous studies have shown that people animate brands with human qualities and create relationships with them similar to interpersonal relationships – the motivation for this phenomena relies on the fact that humans see their assets (in this case, their brands) as an extension of themselves (Pang et al., 2009).

Although the nature of consumer-brand relationships is not identical to the relationships between humans, interpersonal relationship literature has been helpful in the comprehension of these

dynamic and multidimensional relationships between consumers and brands (Sung & Choi, 2010). In fact, consumers humanize brands to obtain not only utilitarian benefits, but also enjoy meaningful relationships with a partner brand, as well as share symbolic social and cultural values (Fournier, 1998; Sung & Choi, 2010).

Since consumers instill brands with human characteristics, the interaction with brands becomes similar to human relationships and brands are treated as human-like partners. Although consumers' relationships with brands have differences from relationships between humans (for instance, romantic relationships which are exclusive, whereas consumers can simultaneously develop and sustain relationships with multiple brands), it is accepted that consumer-brand relationships share qualities similar to human relationships, and consumers consider brands as viable relationship partners (Fournier, 1998; Sung & Choi, 2010).

Breivik and Thorbjørnsen (2008) share this point of view and accept the metaphorical transference of human relationships to marketing relationships. They believe consumer-brand relationships share common elements with interpersonal relationships, such as the partnership, the commitment, the interdependence, the love, among others. They presented in their study an investigation about two alternative models in light of which the consumer-brand relationship construct may be analyzed: the brand relationship quality model (BRQ model), proposed by Fournier (1998); and the relationship investment model (RI model), presented by Rusbult (1980).

The BRQ model was specifically developed to evaluate the tie strength between consumers and brands, whereas the RI model was originally developed to comprehend satisfaction and commitment in romantic relations and friendships (Breivik & Thorbjørnsen, 2008).

The BRQ model is composed of six dimensions that influence the relationships' stability and durability: passion, self-concept connection, personal commitment, behavioral interdependence, intimacy, and partner quality (Breivik & Thorbjørnsen, 2008).

The RI model, on the other hand, is viewed as an extension to the interdependency model proposed by Kelley and Thibaut, in 1978, which outlines two sources of dependency: satisfaction with the current relationship partner and the quality of alternatives. This RI model yet offers another source of dependency – relationship investment – and highlights commitment as a mediating construct. The investment on the relationship might be direct, such as time and money, or indirect, such as the connection to the brand through mutual friends, self identity, or

possession of shared material or intellectual life. In addition, the RI model outlines that a person's commitment to the relationship should increase if that person is satisfied with the relationship, has no good alternatives, and already had invested a lot in that relationship (Breivik & Thorbjørnsen, 2008).

In the present study, neither of the two models will be used. Consumer-brand relationships are usually conceptualized as a long-term, committed, and affect-laden partnerships, related to such construct as brand commitment, brand trust, and brand loyalty (Pang et al., 2009). In light of this, and based on the two previous models, which highlight the importance of commitment and satisfaction in order to obtain relationship outcomes, we will use three constructs we believe are greatly connected to consumer-brand relationships: brand trust, brand satisfaction, and brand commitment. The association of these three constructs to consumer-brand relationships has been supported by several authors.

Morgan and Hunt (1994) have theorized about the importance of relationship commitment and trust in the construction of successful relationship marketing. Although their study relates to the linkage between partner firms (and not the bounding between a brand and its customers), we believe the mediating role of commitment and trust in building a strong relationship between partners may be extrapolated to the consumer-brand relationship.

Sung and Choi (2010) outline that satisfaction with a relationship increases as the outcomes of that relationship are pleasing and satisfying, and that if consumers are satisfied with the relationship partner, they are more likely to commit to that relationship. Smit et al. (2007) also altered Fournier's model and used commitment and trust as components of the brand relationship quality. Similarly, Ok et al. (2011) considered brand trust and commitment as relationship quality dimensions.

More recently, Aurier and Lanauze (2011) stated that trust along with affective commitment reflect relationship quality, and thereby are components of the consumer-brand relationship. Sahin et al. (2012) defined relationship quality as the degree to which consumers view the brand as a satisfactory partner in an ongoing relationship, and as being composed of trust, commitment and satisfaction.

Based on the previous discussion, we may understand the growing importance of building such an emotional relationship between consumers and brands. In the current world, and especially in the

technology sector, consumers are empowered with more knowledge than ever and companies have parallel performance levels, since they have access to very similar technologies. Thus, what really distinguishes a brand from its competitors is its ability to transcend the mere transactional relationship and manage to achieve a strong emotional relationship with its customers.

A strong and favorable consumer-brand relationship can bring marketing advantages such as entry barriers, premium prices, increased market share and positive word-of-mouth (Pang et al., 2009). Ultimately, what we intend to investigate is the impact of brand experience, brand perceived value, and price perceptions on consumer-brand relationships (composed of brand trust, brand satisfaction, and brand commitment), and the effect of consumer-brand relationships on customers' loyalty to a specific brand – *Apple* – as showed in Figure 2.

3.3 BRAND EXPERIENCE

Experience marketing has established itself within marketing theory mainly due to consumers' overexposure to advertising through media channels that forces companies to reach consumers in different ways; also due to the globalization and saturation of markets that compels companies to fight for the consumers' preference; and the current more hedonistic lifestyles that make consumers search for new and exciting experiences (Walter et al., 2013).

Brands are the source of competitive advantage and profits for companies, and a brand's success derives directly from its ability to create and maintain long-term relationships with consumers. Therefore, the importance of brands that provide unique and memorable experiences to consumers has been highlighted, thus brand experience has become of great interest to marketers (Sahin et al., 2011). In the current world, consumers value not only the functional benefits of the products, but mainly the experiential aspects of the offers – since products have become commoditized, the experiences provided by companies to their customers matter the most (Pine & Gilmore, 1998, cited by Walter et al., 2013) – thereby creating memorable experiences, through sensory, affective and other experiential appeals, is a major goal (Zarantonello & Schmitt, 2010).

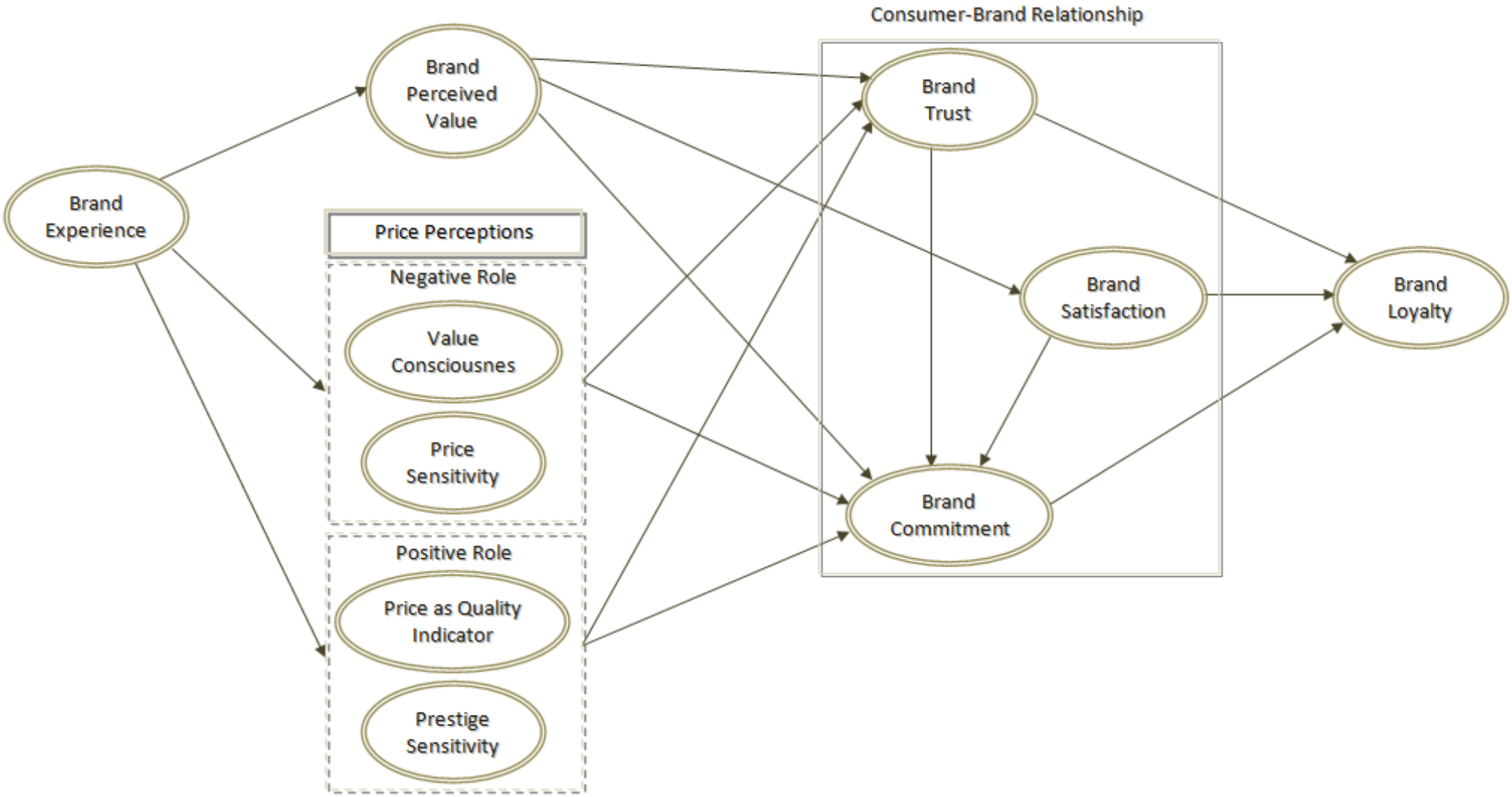

Figure 2 – Proposed conceptual model.

Marketing activities and experiences provided by companies to consumers will affect their mindset regarding what they know and how they feel about that brand – experiences, images, perceptions, beliefs, attitudes (Sahin et al., 2012). According to Brakus et al. (2009), experiences between consumers and brands occur in either one of the three situations: when consumers search for products, buy them, and consume them. When this happens, consumers become exposed to utilitarian product attributes, as well as specific brand-related stimuli, for example, brand-identifying colors, shapes, typefaces, background design elements, slogans, mascots and brand characters, as numerous authors stated. These brand-related stimuli are latent in its design and identity, packaging, marketing communications and physical environment, and ultimately, are what authors refer to as 'brand experience'.

Brand experience is conceptualized as subjective, internal consumer responses, such as sensations, feelings and cognitions, and behavioral responses evoked by the brand-related stimuli. It varies in strength and intensity, and over time it might affect consumers' satisfaction and loyalty (Brakus et al., 2009). Brand experience can also be defined as consumers' perceptions when they interact with the brand, either through advertising, personal contact or the quality of the personal treatment received (Alloza, 2008). In fact, the previous author postulates that the essence of the brand relies in its employees, and in order to build brand experience it is not enough to listen to customers, stakeholders and society – the true challenge is to implement a business model where the employees are aligned and committed to the company's strategy and thereby deliver experiences through their behavior. This is precisely what happens in *Apple* stores where the employees are not mere cashiers, but 'geniuses' whose purpose is to provide friendly, expert help in technical support (Apple, 2013). All *Apple* employees receive training in order to learn and embrace the brand's values, which translate in their relationship with the customers (Elliot, 2012).

Ambler et al. (2002) claim that brand activity or experience is created whenever customers use the brand, talk about it, or search information, promotions, or events about the brand. Some authors have argued that experience is co-created by the consumer and the organization, since the organization provides resources (as products, frontline employees, shopping environment) that are used by the consumer to create surprise and delight experiences (Defeng & Jianhua, 2010).

Brand experience might be mistaken by some other brand constructs, such as brand attitudes, brand involvement, brand attachment, customer delight or brand personality, although it is significantly different. Brand experiences are not evaluative judgments about the brand (brand attitudes), but specific sensations, feelings, cognitions and behavioral responses. Also, brand experiences differ from motivational and affective concepts, as involvement, attachment and customer delight. Lastly, brand experience does not import human characteristics to the brand, as brand personality does (Brakus et al., 2009).

In the present study we will use the 12-item brand experience scale created by Brakus et al. (2009) that captures four dimensions of this construct: sensory, affective, behavioral and intellectual. The first dimension relates to the visual, auditory, tactile, gustative and olfactory stimulations provided by the brand; the affective dimension refers to feelings generated by the brand and the consumers' emotional bond to it; the behavioral dimension includes bodily experiences, lifestyles and interactions with the brand; and the intellectual dimension is related to the ability of the brand to engage the consumers' thinking (Zarantonello & Schmitt, 2010).

We believe *Apple* is one of the global brands that present greater levels of brand experience to its customers. This is clear on the fact that, since the beginning, Steve Jobs wanted *Apple's* products to be intuitive and to provide such a pleasant experience that the user would feel emotionally connected to the object. *Apple* is guided by a 'total product' philosophy, which means the whole experience of using the product is important – the product is designed to adjust to consumers' life, and not the other way around. The importance of design might also be seen in the *Apple* stores, where clients become delighted by everything, even if they do not know exactly why (Elliot, 2012).

A brand might be seen as a mechanism of engaging buyer and seller in a long-term relationship, whose principal input is brand experience and main output is brand loyalty (Sahin et al., 2011). The direct relationships between brand experience, satisfaction and loyalty have already been studied and proved by several authors. Sahin et al. (2011) have found the significantly positive effect of brand experience on brand satisfaction and brand loyalty, which means the greater the brand experience consumers have regarding a brand, the higher the overall satisfaction and loyalty to the brand. Brakus et al. (2009) also proved that brand experience affects consumer satisfaction and loyalty directly and indirectly through brand personality. Other studies have

found brand experience to have a positive and significant impact on consumer satisfaction (Oliver, 2010) and loyalty (Choi et al., 2011; Reicheld & Teal, 2001).

Sahin et al. (2012) have recently proposed a model that highlights the impact of brand experience in building meaningful and long-lasting relationships with consumers. That model presents brand experience and service quality as antecedents of brand relationship quality (including brand trust, brand satisfaction, and brand commitment), which will ultimately lead to repurchase intention.

In this study, we aim to analyze the indirect effect of brand experience on consumer-brand relationships (brand trust, brand satisfaction, and brand commitment) through new variables: brand perceived value and price perceptions (value consciousness, price sensitivity, price as quality indicator, and prestige sensitivity).

3.3.1 BRAND EXPERIENCE – BRAND PERCEIVED VALUE

Regardless of the lack of literature supporting this causal relationship, there are studies that connect brand experience with perceived value. Hollenbeck, Peters, and Zinkhan (2008) found that perceived value influences brand experience, so if consumers receive greater value, they are expected to have a better experience. Therefore we assume that in a similar way, if consumers' experience with a certain brand is very pleasant and meaningful, their perceived value regarding that brand will be greater. This assumption is supported by Huang and Huang (2012), who found in their study about tourism-destination hotels that perceived value has a moderating effect on the relationship between brand experience and satisfaction, as we propose in our model. Also Lodorfos et al. (2006) refer that with experience of a product, consumers become more knowledgeable regarding its quality and value. Thus we propose the following hypothesis:

$H_{1A}^{(+)}$: Brand experience has a positive influence on brand perceived value.

3.3.2 BRAND EXPERIENCE – PRICE PERCEPTIONS

The impact of brand experience on price perceptions is also understudied in the marketing literature. Hsieh and Chang (2004) concluded, based on several prior studies, that both pre and post-purchase experiences affect price sensitivity. Their study indicates that consumers' participation in service encounters (including preparation, relationship building and information exchange) is negatively associated with price sensitivity. This means that, from an affective view,

when consumers have a higher participation in the service encounter, they will understand and self-identify with the goals and values of the organization becoming more committed. Consumers will also experience greater satisfaction, which leads to increased price tolerance, and thereby decreased price sensitivity.

Although this study concerns to services and not specifically to brands, it allows us to understand that in services, the more consumers participate in the service encounter, the more they will be satisfied and self-identified with the organization, and their price sensitivity will be lower (Hsieh & Chang, 2004). In an analogous way, we may state that in what brands are concerned, the greater the consumers' experience with a certain brand, the higher their commitment and identification toward the brand, which will lead to greater satisfaction and lower price sensitivity. Lodorfos et al. (2006) also attempted this extrapolation from services to brands in their study about consumer behavior in the pharmaceutical market and found that past experiences with the brand are critical in determining trustworthiness beliefs, price sensitivity and purchase behavior.

This extrapolation is not enough to justify the relationship between brand experience and price perceptions, since the latter involves three other dimensions in this study, besides price sensitivity. It is however a starting point to postulate that consumers' brand experience may affect the way they perceives its price, both in its negative and positive roles. More specifically in the *Apple's* case, consumers' brand experience with this particular brand may act as a neutralizer of the negative effect of value consciousness and price sensitivity, and as an amplifier of consumers' perception of price as a quality indicator and desire for prestige. Thus, we propose the new hypotheses:

$H_{1B}^{(-)}$: Brand experience has a negative influence on value consciousness.

This meets the idea that the greater the brand experience, the less value-conscious consumers will be regarding *Apple* products.

$H_{1C}^{(-)}$: Brand experience has a negative influence on price sensitivity.

In the same way, the greater the brand experience, the less price-sensitive consumers will be regarding *Apple* products.

$H_{1D}^{(+)}$: Brand experience has a positive influence on price as quality indicator.

On the contrary, we propose that consumers' brand experience will positively influence their perception of price as a quality indicator.

$H_{1E}^{(+)}$: Brand experience has a positive influence on prestige sensitivity.

We also propose that consumers' brand experience will heighten their prestige sensitivity.

3.4 BRAND PERCEIVED VALUE

Consumers seek value when they buy a certain brand. That value is usually seen as the tradeoff between what is gained and what is given, meaning the benefits received relative to the costs (Gwin, 2010).

Zeithaml (1988) assumed there were intrinsic attributes (such as quality) and extrinsic cues (namely, price and brand) involved in the building of perceived value. She also affirmed consumers rely more on the intrinsic attributes to get perceived value at the point of consumption, but on the other hand, they depend more on extrinsic cues to get perceived value in an initial purchase situation, when quality is still difficult to evaluate (Chen, 2012). Based on this, we can assume that brands play a very important role in determining the perceived value. In fact, the brand is one of the most important variables in determining the value of an organization in a competitive environment, since it shapes the mindset of consumers and thereby is a source of purchase decision-making. In other words, consumers consider the brand choice prior to the purchase decision (Mohammad, 2012).

Zeithaml (1988) defines perceived value as the overall assessment of consumer regarding the product utility, based on perceptions of what is received (volume, high quality, convenience) and what is given (money, time, effort). This definition, however, includes only the utilitarian side of value. Many researchers have suggested that perceived value could be a multi-dimensional construct, including both functional and non-functional benefits of performance (Ok et al., 2011). Therefore, besides this cost-benefit analysis presented by Zeithaml (1988), perceived value has been conceptualized in light of various perspectives, as pointed out by Chahal and Kumari (2011) in their literature review.

Sheth, Newman, and Gross (1991) presented perceived value as a function of several dimensions, such as social, emotional, functional and epistemic, to which Arnold and Reynolds (2003) added the aesthetic dimension. Ruyter, Wetzels, and Bloemer (1998) used the emotional, functional and logic dimensions. Sweeney and Soutar (2001) developed a perceived value scale (PERVAL scale), in which they identified four dimensions of value: emotional value, social value, and two types of functional value (price/value for money, and performance/quality). Mathwick, Malhotra, and Rigdon (2002), and Gallarza and Saura (2006) presented a very complete framework of perceived value: the first identified economic, efficiency, enjoyment, escapism, entertainment, visual appeal, and service excellence dimensions; while the latter used other dimensions, namely, efficiency, service quality, social value, play, aesthetics, perceived monetary costs, perceived ride, time and effort spent. More recently, Gounaris et al. (2007) defined this construct as a function of six elements: product value, procedural value, personnel value, emotional value, social value and perceived sacrifice. Chen (2012) measured the perceived value relating it to sacrifice, stating that besides the brand, the price, time and effort spent may also have a large impact on the consumer perceived value.

There are innumerous approaches and definitions regarding this construct, therefore we will select only six latent dimensions adapted to our study: emotional value, social value, functional value (price/value for money, and performance/quality), play value, and aesthetic value. The first four dimensions are based on Sweeney and Soutar (2001), whereas the fifth and sixth dimensions are presented by Gallarza and Saura (2006) – they refer Holbrook's study (1999) to contextualize these two dimensions (play and aesthetic value).

Emotional value is the utility that arises from feelings or affective states triggered by the product (Sweeney & Soutar, 2001). Some authors consider aesthetic pleasure, as well as play or fun, capable of generating emotional value (Karjaluoto, Jayawardhena, Leppäniemi, & Pihlström, 2012).

Social value is conceptualized as the utility derived from the product's capability of enhancing the social self-concept of the individual who buys the product (Sweeney & Soutar, 2001). Thus, social value derives mostly from the usage of a product shared with others and the desire of social approval and enhancement of self-image among other individuals (Mosavi & Ghaedi, 2012). This dimension includes aspects such as social image, identification, social self-concept, expression of personality and pursuit of class membership (Karjaluoto et al., 2012).

Functional value relates to effective task fulfillment (the output/input ratio, convenience, availability, or ease of use), usually through utilitarian, physical or functional performance (Karjaluoto et al., 2012). Functional value is composed by two sub-dimensions: price or value for money, and performance or quality. Price/value for money is the utility that comes from the product due to the reduction of its short and long term costs. Performance/quality refers to the utility derived from the product's perceived quality and expected performance (Sweeney & Soutar, 2001).

According to Mathwick et al. (2002), play value is determined by the sense of freedom a consumer has when performing an activity. In their study, they used an online purchase situation to illustrate a purchase as a recreational activity, instead of the utilitarian purpose of buying something. Online shopping, opposing to the traditional catalog shopping, evokes sensations of escapism and enjoyment, which are indicators of the dimension of play value. In our study, this dimension is related to the freedom and pleasure users feel when they use *Apple* products, from connecting to the Internet through their *iPhone*, to the possibility of taking their music everywhere in the *iPod*, to the innumerous applications and games for all devices, without forgetting the advantage of connecting all of them in order to have the same information in the *iPhone*, *iPad*, *iPod* or *Mac*.

Finally, aesthetic value has been avoided by consumer researchers because "*beauty is viewed as an abstruse concept, difficult to define and operationalize*" (Holbrook, 1999, p. 126). Initially, aesthetic value was linked to fine arts, such as painting, sculpture, architecture, music, dance and poetry, but has been extended in the last century to include the applied arts – appliances, cars, furniture, computers and clothing. Aesthetic aspects are becoming more important as differentiating factors which, we believe, is the case of the *Apple's* products. The aesthetic value involves interaction between an object and a subject. The aesthetic experience has been described as "*immediate, dynamic, unified, meaningful, pleasant and vividly felt, emerging from the* [consumers'] *perception of an aesthetic object*" (Holbrook, 1999, p. 128).

Value is inextricably connected to other major consumer behavior constructs, such as quality and satisfaction (Gallarza & Saura, 2006). Our model, however, seeks to provide evidence that consumers' perceived value regarding a brand will influence the consumer-brand relationship, composed of brand trust, brand satisfaction, and brand commitment.

The positive impact of perceived value on trust and affective commitment has been discussed in the literature, and perceived value is one of the most tangible signs of a brand's ability to satisfy consumers (Aurier & Lanauze, 2011), supporting the three causal relationships below.

3.4.1 BRAND PERCEIVED VALUE – BRAND TRUST

In order to increase customer value and ultimately their loyalty to the brand it is imperative to build strong brand relationships, since customer value is a critical source for competitive advantage (Gwin, 2010).

Value and trust are cornerstones of long-term relationships and therefore need to be explored. Karjaluoto et al. (2012) developed a study in the telecommunications field showing that perceived value relates positively to loyalty, and that trust mediates that relationship, proving the causal link between value and trust.

Mosavi and Ghaedi (2012) conducted a study in Iran about travel agents' customer participation in travel activities via Internet and found a positive relationship between perceived value and trust, mediated by customer satisfaction. The authors investigated the direct impact of perceived value on customer satisfaction and its impact on their trust in online repurchase environments, proving that increased satisfaction between two parties may improve their trust.

The impact of brand perceived value on brand trust was also addressed by Ok et al. (2011). Although they did not investigate the direct relationship between the two constructs, they proved the impact of utilitarian value, hedonic value and social value on brand trust, through brand credibility and brand prestige.

Some other studies present the impact of both perceived value and trust on intention to buy (Chen, 2012) and loyalty (Mohammad, 2012). Although the mentioned studies do not relate directly perceived value to trust, we may conclude that both constructs are important foundations for creating purchase intention and loyalty to a brand, which highlights the importance of studying the relationship between brand perceived value and brand trust, ultimately leading to brand loyalty. Therefore we propose the following hypothesis:

$H_{2A}^{(+)}$: Brand perceived value has a positive influence on brand trust.

3.4.2 BRAND PERCEIVED VALUE – BRAND SATISFACTION

The concept of value has been widely discussed and might be easily mistaken by satisfaction (Sweeney & Soutar, 2001). These constructs, however, are very different. Perceived value may occur in various stages of the buying process, including the pre-buying stage (Woodruff, 1997), whereas satisfaction is universally accepted as an evaluation of the product bought or an evaluation of the post-buying stage (Oliver, 1981). Consequently, the perception of value can emerge without actually buying the product itself, while satisfaction depends on the experience of buying and using that product (Sweeney & Soutar, 2001). Oliver (1996) supports this view – he believes it is possible to disconnect value from satisfaction, considering that satisfaction may exist in the absence of value, and that value may exist in consumers' mind without prior satisfaction.

Woodruff (1997), on the other hand, affirms that perceived value and customer satisfaction are closely linked. Both these constructs are defined as the consumers' assessments or judgments about the product in the usage situation. He believes the value received by consumers when they use the product may directly influence the formation of satisfaction feelings. Parasuraman (1997) defends perceived value as an antecedent of satisfaction, since the two constructs are linked by consumers' judgments about the products that may lead to feelings of satisfaction or dissatisfaction. Day and Crask (2000) have a similar understanding, conceptualizing satisfaction as a result of the consumers' assessment about the product. They even refer that knowing how to manage perceived value is key to satisfy consumers. Also according to Hallowell (1996, p. 28) "*customer satisfaction is the result of a customer's perception of the value received in a transaction or relationship*".

In a similar way to what we intend to prove, many other authors have found the positive effect of perceived value on satisfaction, which will in turn lead to loyalty (Chiou, 2004; Gounaris et al., 2007; Lam, Shankar, Erramilli, & Murthy, 2004; Yang & Peterson, 2004). Therefore, and based on the previous discussion, we propose a causal link between perceived value and satisfaction:

$H_{2B}^{(+)}$: Brand perceived value has a positive influence on brand satisfaction.

3.4.3 BRAND PERCEIVED VALUE – BRAND COMMITMENT

According to Aurier and Lanauze (2011), an enhanced perceived value implies more affective attitudes toward the brand, which positively impacts affective commitment. This relationship between perceived value and affective commitment is also supported by other authors, such as Aurier and N'Goala (2010), and Johnson et al. (2006).

Johnson et al. (2006) developed a model where they predict that brand and relationship constructs should mediate the effects of perceived value on intentions, and they prove that the perceived value of an offering has a direct and positive effect on affective commitment, in a cell phone manufacturer setting. Thus, we present the following hypothesis:

$H_{2C}^{(+)}$: Brand perceived value has a positive influence on brand commitment.

3.5 PRICE PERCEPTIONS

Price is undoubtedly a very significant cue in the marketplace, and represents the amount of money consumers have to spend in order to engage in a purchase transaction (Lichtenstein, Ridgway, & Netemeyer, 1993). In its narrower interpretation, price is, in the consumers' perspective, what is given up or sacrificed to obtain a certain product (Zeithaml, 1988). Therefore, generally speaking, higher prices impact negatively the probability of purchase (Lichtenstein et al., 1993). The perception of price is, however, more complex than this notion, given that price may also be perceived in its positive role, since some consumers use the price cue as a signal of product quality, and consequently higher prices have a positive impact on purchase probability (Lichtenstein et al., 1993).

According to Zeithaml (1988), there are three components of price, namely, objective price, perceived non-monetary price, and sacrifice. Objective price is the actual price of the product, while perceived price is the price encoded by consumers. The objective monetary price is usually different than the price encoded by consumers, for example, some consumers might focus on the real price of the product, while others may remember it merely as expensive or cheap, or not encode the price at all. She supports that consumers do not always remember the actual price of products; instead they encode it in meaningful ways.

This price awareness also depends on the demographic groups – studies have shown that female, married, older or stay-at-home workers are the groups of consumers with greater levels of price awareness (Zeithaml, 1988). Monetary price, however, is not only the sacrifice made by the consumers to obtain products. According to Zeithaml (1988), many authors in the economic and marketing literature defend that consumers' perception of sacrifice may include time, effort, search, and psychic costs.

Lichtenstein, Bloch, and Black (1988, p. 243) introduced yet another problematic – price acceptability. This may be defined as a "*judgment of price based on a comparison of the price cue to a range of acceptable prices stored in memory*". These judgments involve a comparison with a range of acceptable prices stored in memory, but that range is person-specific, thereby some consumers may have a wider range of acceptable prices than others. Price acceptability is also usually linked to consumers' perception of whether the prices are true and fair (Lichtenstein et al., 1988). Therefore, prices perceived as true and fair are more likely to be accepted. However, this is not enough – consumers might perceive that a given price is true and fair, and still that price may be unacceptable, either because they do not need that product or because they cannot afford it.

Lichtenstein et al. (1993) explain the heterogeneity of consumers' perception of price by delineating it in its positive and negative roles. They present five constructs related to the price perception in its negative role and two consistent with the perception of price in its positive role. For the purpose of our study, and in line with the brand we are analyzing, we will adapt some of these constructs. Below we provide conceptualizations of two constructs related to the negative role of price and two regarding its positive role.

According to Ferreira (2010), the direct relationship between the dimensions of price perceptions and loyalty has already been proven by previous studies. Garretson, Fisher, and Burton (2002) proved the direct negative impact of value consciousness on loyalty. The negative relationship between price sensitivity and loyalty has also been explored (Brown, 1974; Ferreira, 2010; Krishnamurthi & Raj, 1988; Krishnmaurthi & Raj, 1991; McCann, 1974; Neslin, Henderson, & Quelch, 1985). Regarding price as quality indicator, Garretson et al. (2002) have proved its positive influence on brand loyalty. And finally, a positive and direct impact of prestige sensitivity on loyalty was found by Ferreira (2010).

Since the direct relationships between the price perceptions dimensions (value consciousness, price sensitivity, price as quality indicator, and prestige sensitivity) and brand loyalty have already been studied, we intend to prove the impact of price perceptions on other constructs, such as brand trust and brand commitment, which will in turn, and according to the literature, influence consumers' loyalty to the brand.

NEGATIVE ROLE OF PRICE

3.5.1 VALUE CONSCIOUSNESS

Lichtenstein et al. (1993) define value consciousness as the consumers' concern regarding the ratio of quality received to price paid in a purchase transaction. This notion is related to the perceived value construct, define by Zeithaml (1988) as the consumers' overall assessment of the utility of a product based on the analysis of the tradeoff of what is given and what is received.

Also Tellis and Gaeth (1990) claim that the consumers' perception of value influences the purchase behavior. They mention the best-value strategy as a model that assumes consumers choose between different alternatives based on their perception of value and the higher utility for each alternative. However, we must note that value-conscious consumers do not necessarily purchase any low-priced product – low-priced products provide good value for the consumers only if they also meet certain quality specifications (Bao & Mandrik, 2004).

So, in the case of *Apple*, and excluding all the other components inherent to a purchase decision, it is expected that consumers with a high level of value consciousness, that is, consumers that search for the best price/quality ratio possible, feel inclined to not purchase this brand.

Regarding the influence of value consciousness on consumers' trust and commitment to a brand, we found no studies that prove these direct relationships. However, the study conducted by Anuwichanont (2011) proposed (even though they could not prove) the relationship between brand trust and brand loyalty is stronger under conditions of low price perception. Although *Apple* falls in the high price perception category, based on Anuwichanont's study we inquire if the negative role of price perceptions (value consciousness and price sensitivity) might somehow influence consumers' trust on the brand, thus we propose the new hypothesis:

$H_{3A}^{(-)}$: Value consciousness has a negative influence on brand trust.

Ferreira (2010) proves in her thesis the positive relationship between value consciousness and attitude toward retailer's brands (also referred to as private label or store brands). This causal relationship is also proved by many other authors, such as Burton, Lichtenstein, Netemeyer, and Garretson (1998), Garretson et al. (2002), and Jin and Suh (2005). Bao and Mandrik (2004) argue that for value-conscious consumers, retailer's brands present fairly good quality at a much lower price, and therefore represent a better bargain than national or international brands. For that reason, there is also a positive relationship between value consciousness and purchase of retailer's brands. Gómez and Rubio (2010, p. 529) also verified the influence of value consciousness on store brand attitude, concluding that "*consumers who are aware of price and value will be predisposed to be loyal to store brands through their better attitude toward store brands*".

Although we did not find any support in the literature relative to the value consciousness – brand commitment relationship, based on the previously referred studies that prove the negative influence of value consciousness on consumers' attitude toward retailer's brands, we may infer that value consciousness might have an opposite effect on brand commitment. The explanation for this inference is that if consumers have a higher value consciousness they are more likely to search for products that present the best price/quality combination (Ferreira, 2010), and for that reason we suppose they are less likely to commit to a certain brand, especially a high-priced brand such as *Apple*. Thus arises the following hypothesis:

$H_{3B}^{(-)}$: Value consciousness has a negative influence on brand commitment.

3.5.2 PRICE SENSITIVITY

Price sensitivity may be conceptualized, in its narrower form, as the degree to which consumers focus exclusively on paying low prices or the reluctance in buying high-priced products (Anuwichanont, 2011; Burton et al., 1998; Lichtenstein et al., 1993).

For price-sensitive consumers there is a constant need of paying lower prices (Ferreira, 2010). According to Lichtenstein et al. (1988), price conscious consumers display a sensitivity for paying lower prices, being more likely to perceive price in its negative form. They also refer to Monroe and Petroshius' (1981) idea that the price conscious shopper is not willing to pay for distinguishing features of a product if the price difference for those features is too high. Moreover, Lichtenstein

et al. (1988) define price sensitivity as the degree to which consumers use the price cue in its negative role as a decision-making criterion.

However, price sensitivity might vary according to the individual perceptions of the consumers. Sinha and Batra (1999) position price sensitivity as an attitudinal predisposition, since it varies in intensity across individuals – while the same individual can have a different price sensitivity across product categories, some individuals have a higher price sensitivity in every product categories. This may be the result of differences in their upbringing and socialization, which can originate differences in the individuals about the importance of saving money.

Some authors, such as Lichtenstein et al. (1988), and Sinha and Batra (1999), argue that price sensitivity varies across consumer and across product categories and situations for each individual. Sinha and Batra (1999) noted that consumers are less price-sensitive in categories where perceived risk is seen as elevated, but are more price-sensitive in categories where they perceive the prices of the national or international brands to be unfair.

Nevertheless, studies have shown that national/international brands are perceived as having better quality products than retailer's brands, so if prices were equal most of the retailer's brands buyers would probably buy the national/international brands (Aggarwal & Cha, 1998). The authors claim that consumers will only buy retailer's brands if the price of the national/international brand is unacceptable, defending the existence of a price boundary within which individual consumers find the price of the brand acceptable. If the price of the national/international brand is below the *reference threshold price* (the highest price a consumer is willing to pay for a certain product category) then the consumer will buy the national/international brand. However, if the price is above that limit, the consumer will buy a retailer's brand (Aggarwal & Cha, 1998; Ferreira, 2010).

This means that in the case of *Apple*, consumers will probably buy this brand if the price of the products is within their acceptable price range, for that specific product category. We intend to study precisely the price sensitivity of *Apple* clients and non-clients, in order to understand if *Apple* clients have a wider *reference threshold price* due to their prior experiences with the brand.

Also in what concerns the impact of price sensitivity on consumers' trust and commitment to a brand, we found no literature to prove these direct relationships. Nonetheless, as referred previously regarding value consciousness, the study conducted by Anuwichanont (2011) proposed

a strong relationship between brand trust and brand loyalty under conditions of low price perception.

Again, although *Apple* falls in the high price perception category, based on that study we inquire if the negative role of price perceptions (value consciousness and price sensitivity) might somehow influence consumers' trust on the brand, thus we propose the following hypothesis:

$H_{3C}^{(-)}$: Price sensitivity has a negative influence on brand trust.

The literature has proven the existence of a positive link between price sensitivity and the consumers' attitude toward retailer's brands (Burton et al., 1998; Gómez & Rubio, 2010; Jin & Suh, 2005). So in a similar way to what was done relatively to value consciousness, we may infer that price sensitivity might have a negative influence on brand commitment. Since price-sensitive consumers are more likely to be more sensitive to high prices (have a narrower *reference threshold price*), we argue they are less likely to commit to a certain brand, especially a high-priced brand such as *Apple*. Thus arises the following hypothesis:

$H_{3D}^{(-)}$: Price sensitivity has a negative influence on brand commitment.

Although we formulated negative relationships between the negative role of price (value consciousness and price sensitivity) and brand trust and brand commitment, we expect these relationships to be weaker in the *Apple* clients' case than in the non-clients' case, since we assume that consumers who have already bought *Apple* products are less value-conscious and less price-sensitive than those who never bought this brand. This assumption is supported by Sinha and Batra (1999), who claim that consumers who associate price with quality (see next issue 'Price as quality indicator') are more likely to be less price-sensitive to that product category.

POSITIVE ROLE OF PRICE

3.5.3 PRICE AS QUALITY INDICATOR

Although the common sense points toward a positive correlation between price and quality, studies regarding this matter present very mixed results.

Some defend that consumers depend on price to evaluate a product's quality (Zeithaml, 1988). Also "*the body of literature summarized by Olson (1977) is based on the assumption that a general*

price – perceived quality relationship exists" (Zeithaml, 1988, p. 11). Lichtenstein et al. (1993) defend that some consumers perceive price in a positive way due to an inference that price is positively related to the level of product quality, and thus this type of consumers prefer paying higher prices. This behavior has been referred to as price-seeking, which consists on choosing the highest priced brands to maximize the expected quality (Tellis & Gaeth, 1990).

This shows that consumers may perceive price in its positive role, linking the level of price directly to the level of quality, and thus associating low prices to low quality products, and high prices to higher quality products (Ferreira, 2010). We believe consumers use this inference regarding *Apple*, associating the products of this brand to state of the art technology, innovative and high quality products through their high prices.

Scitovszky (1944) supported this idea, arguing that an important index of quality is price. His study revealed that people regularly judge quality by price and that the word 'expensive' was becoming a synonym of superior quality. Nonetheless, this relationship has not been clearly proved in the literature (Zeithaml, 1988). For example, Dodds, Monroe, and Grewal (1991) found that price is perceived as a quality indicator, but only when there is no other cues available, since the influence of price as a predictor of quality decreases when other product quality cues emerge, such as brand name or store image (Zeithaml, 1988).

Some other studies defend that consumers perceive price as a quality indicator depending on context-specific characteristics, such as their level of knowledge and perceived risk of the category. So they may use price as a quality indicator on high perceived risk product categories and on product categories they do not have much knowledge about (Ferreira, 2010; Sinha & Batra, 1999).

Regarding the influence of price as quality indicator on consumers' trust and commitment to a brand, we found no studies that prove these direct relationships. The study conducted by Anuwichanont (2011) intended to prove the relationship between brand trust and brand loyalty is stronger under conditions of low price perception. However, the results obtained showed the opposite, meaning that the influence of brand trust on attitudinal and behavioral loyalty is actually greater under high price perception conditions. Thus we have signs that price as quality indicator and prestige sensitivity (both affect to the positive role of price and therefore associated

with high price perceptions) may have a positive impact on brand trust. The following hypothesis is suggested:

$H_{3E}^{(+)}$: Price as quality indicator has a positive influence on brand trust.

Several studies have identified a negative relationship between the consumers' perception of price as quality indicator and their attitude toward retailer's brands, such as Burton et al. (1998), Garretson et al. (2002), and Sinha and Batra (1999). The latter have actually argued that "*individuals with such category-specific 'price-quality schemas' tend to gravitate toward more expensive national brands*" (Sinha & Batra, 1999, p. 248). In this line of thought, we intend to prove that consumers who perceive price as quality indicator are more likely to commit to high-priced brands such as *Apple*:

$H_{3F}^{(+)}$: Price as quality indicator has a positive influence on brand commitment.

3.5.4 PRESTIGE SENSITIVITY

The price cue may also be perceived in a positive way, based on perceptions of what it signals to others about the purchaser, in a social sense. Some consumers may believe that others perceive their high price purchases in a certain way (for example, as them being a 'big spender'), and therefore prestige sensitivity consists of favorable perceptions of the price cue due to feelings of prominence and status provided by the purchase of higher price products (Lichtenstein et al., 1993).

This means that consumers with high prestige sensitivity buy expensive brands not just due to its quality, but mainly "*because of the perception that others may perceive them as socially positive because of the high price*" (Bao & Mandrik, 2004, p. 708). For instance, Tai and Tam (1997) noticed that women in China pursuit the prestige associated with the image of well-known brands, regardless of the value of the product.

Prestige sensitivity is highly related to the brand prestige construct, which is defined as the relatively high status positioning associated with the brand. Prestige perceptions derive from unique and exceptional inherent characteristics of the brand, and also from the interactions with people, the product attributes, and symbolic values (Choi et al., 2011).

There is little support in the literature regarding the effects of prestige sensitivity on brand trust and brand commitment. However, we intend to study those relationships based on clues provided by other related studies.

As explained on the price as quality indicator topic, through Anuwichanont (2011) study that showed the influence of brand trust on brand loyalty is greater under high price perception conditions, we can assume that prestige sensitivity (related to the positive role of price) might have a positive impact on brand trust. Also Keh and Xie (2009) developed a model contemplating the influence of corporate reputation on customer trust, identification and commitment. Among other things, they discovered that corporate reputation has a positive influence on customer trust. Although this does not prove the link between prestige sensitivity and brand trust, the corporate reputation is often linked to the brand's prestige and social status. Finally, Choi et al. (2011) refer that brand trust, as the consumers' willingness to depend on the capability of the brand, is influenced by their perception of upscale, prestige, and high status, all related to prestige sensitivity, and therefore we propose the new hypothesis:

$H_{3G}^{(+)}$: Prestige sensitivity has a positive influence on brand trust.

In what concerns the relationship between prestige sensitivity and brand commitment, we can use Bao and Mandrik (2004) study – which proved the negative impact of prestige sensitivity on the purchase of retailer's brands – to justify the probable positive relationship between prestige sensitivity and brand commitment, since *Apple* is seen as a highly priced and prestigious brand. Goldsmith, Flynn, and Daekwan (2010) claim that the pervasive desire for social prestige motivates consumers to pay higher prices for goods that confer status (such as *Apple* products), thereby encouraging the following hypothesis:

$H_{3H}^{(+)}$: Prestige sensitivity has a positive influence on brand commitment.

3.6 BRAND TRUST

Trust has been conceptualized in innumerous ways, creating a lack of consensus in a universal definition. According to Ganesan and Hess (1997), this construct has been analyzed in three different categories: interpersonal trust, organizational trust, and trust as a multi-dimensional construct. Interpersonal trust exists between individuals in separate organizations (Moorman, Deshpandé, & Zaltman, 1993), while organizational trust exists between an individual and the

partner organization; and trust as a multi-dimensional construct is mainly comprised of credibility and benevolence dimensions (Ganesan & Hess, 1997). Credibility relies on the partner's intention and ability to keep promises about the characteristics negotiated, such as task specific competencies, reliability in the delivery of goods and services, and job-related behavior predictability, whereas benevolence relates to the partner's qualities, intentions and characteristics that demonstrate a genuine concern and care for the other party (Ganesan & Hess, 1997).

Morgan and Hunt (1994) conceptualized trust as the confidence one party has in an exchange partner's reliability and integrity, which according to the authors follows the same direction started by Rotter (1967) defining trust as an overall expectancy that an individual's word can be relied on. Chaudhuri and Holbrook (2001) defined brand trust as the consumers' willingness to rely on the ability of the brand to perform its stated function.

More recently Wang (2002) defined brand trust as the consumers' willingness to rely on a brand they have confidence in, regarding to the brand's reliability, honesty and altruism. Reliability is the perceived dependability on the brand's functional performance; honesty is the consumers' perception that the brand-related information is communicated in an honest and truthful way; altruism is the consumers' perception that the brand's organization is unselfishly concerned about its customers and the society. Chaudhuri and Holbrook (2001) conceptualize trust as the consumers' beliefs regarding a brand's reliability, safety, and honesty.

Trust consists on the display of benevolence and honesty of the seller prioritizing the interest of both parties, and for buyers to develop trust they have to believe in their exchange partners. Consumers develop trust in a brand based on positive beliefs regarding their expectations about the organization and the products that specific brand represents (Sahin et al., 2012).

Based on the definitions provided by the previous authors, we will define brand trust according to four dimensions referred in the literature: reliability, integrity, honesty, and altruism or benevolence. Reliability and integrity refer to the perceived dependability of the exchange partner or brand, in what concerns to its performance and ethics (Chaudhuri & Holbrook, 2001; Morgan & Hunt, 1994). Honesty is the consumers' perception that the information about the brand or company is communicated in an honest and truthful way (Wang, 2002). Altruism or benevolence consists on the consumers' perception of the company as being unselfishly and

genuinely concerned and caring about its customers and the overall society (Ganesan & Hess, 1997; Wang, 2002).

According to Aurier and N'Goala (2010), trust emerges from the capacity of the company to continuously satisfy consumers' expectations and its willingness to avoid doing anything that might be detrimental to its customers. Also the authors affirm trust is reinforced by positive and satisfactory consumption experiences that make future exchanges more predictable. According to Choi et al. (2011), trust is considered by many authors as an essential construct in building customer relationship, thus we propose that brand trust has a positive impact on brand commitment and brand loyalty.

3.6.1 BRAND TRUST – BRAND COMMITMENT

Trust is viewed as a cornerstone to relational exchange, and since commitment entails vulnerability, trust has a key role in building a relationship, as parties will look for trustworthy partners (Morgan & Hunt, 1994).

Ganesan and Hess (1997) defended trust enhances commitment to a relationship by reducing the perception of risk associated with opportunistic behaviors by the partner; increasing the confidence that short-term inequities will be adjusted in the long-term; and reducing the transaction costs in an exchange relationship.

Empirical research has disclosed many antecedents of brand commitment, including brand trust as one of the most prominent determinants of affective commitment (Chaudhuri & Holbrook, 2002; Garbarino & Johnson, 1999; Sargeant & Lee, 2004). Wang (2002) also confirmed the positive link between brand trust and commitment in three product categories: cars, TVs and jeans. Aurier and N'Goala (2010) proved that trust has a direct positive impact on relationship commitment in the retail banking sector.

Many other authors, such as Moorman, Zaltman, and Deshpande (1992), Ganesan (1994), and Geyskens, Steenkamp, Scheer, and Kumar (1996) recognize trust as an essential antecedent of affective commitment. Relationships characterized by trust are valued by consumers, which leads to the development of emotional bonds with brands, creating a sense of commitment to the relationship (Dwivedi & Johnson, 2013). This is also supported by Ruyter, Moorman, and Lemmink (2001), who affirm that since commitment entails vulnerability, parties will likely procure only

trustworthy partners, and thus, trust leads to a high level of affective commitment. For the scope of this study we will focus only on affective commitment (as explained ahead, in the brand commitment issue). One of the reasons for doing so is that trust may induce on consumers the sense of affiliation and identification with the supplier and this may be a stimulus to enhance the attachment to the brand and focus less on the calculative reasons (Ruyter et al., 2001).

Keh and Xie (2009) conducted a study about the influence of corporate reputation on customer behavioral intentions, and discovered that commitment mediates the relationship between customer trust and behavioral intentions, similarly to the brand trust – brand commitment – brand loyalty chain we intend to prove. In a similar way, Ok et al. (2011) underline the importance of confidence in exchange relationship, and proved the influence of brand trust on brand commitment, in a setting of regular coffeehouse visitors. Based on all the referred literature, we present the following hypothesis:

$H_{4A}^{(+)}$: Brand trust has a positive influence on brand commitment.

3.6.2 BRAND TRUST – BRAND LOYALTY

According to Mohammad (2012), studies have revealed the weight of trust in developing brand loyalty. Trust is essential in building strong long-term relationships between consumers and brands (Sahin et al., 2012). These two constructs should be associated, since loyalty implies the ongoing process of maintaining a relationship that has been created by trust (Morgan & Hunt, 1994).

In an investigation about the effects of coffeehouse brand experience and personality on brand prestige and loyalty, Choi et al. (2011) found that brand trust leads to brand loyalty. In the same setting of coffeehouse visitors, Ok et al. (2011) emphasized that a brand that demonstrates reliability and integrity is most likely to ensure consumers' willingness in maintaining the relationship and encourage future purchases. Chiou and Droge (2006) also demonstrated that trust has a direct and indirect (through satisfaction) impact on attitudinal loyalty in high-involvement, high-service product markets.

So trust is used as a mediating construct between consumers' attitude toward brand features and consumer loyalty (Lodorfos et al., 2006). Chaudhuri and Holbrook (2001) actually proved the

positive influence of brand trust on the two dimensions of brand loyalty (attitudinal and behavioral), and therefore, we present the following hypothesis:

$H_{4B}^{(+)}$: Brand trust has a positive influence on brand loyalty.

3.7 BRAND SATISFACTION

For some authors, the definition of satisfaction is not clear. McKinney, Kanghyun, and Zahedi (2002) state that satisfaction is a state that represents an emotional response toward the product. On the other hand, in a cognitive perspective, satisfaction emerges from the consumers' evaluation of their experiences with the product. Oliver (2010) defines satisfaction as the consumers' judgment that a product (or its features) provides consumption-related fulfillment.

According to Spreng and Mackoy (1996), the literature has highlighted the idea that satisfaction derives from a comparison consumers make between the performance of the product and their internal comparison standard. In a similar note, Churchill Jr and Surprenant (1982), and Tse and Wilton (1988)claim satisfaction as a function of the difference between consumers' prior expectations and their perception of the product after the buying process. When the buying experience is better than expected, a positive expectancy disconfirmation occurs, and so, the consumer will evaluate positively that same experience – in the satisfaction literature, this model is referred to as 'disconfirmation paradigm'. In light of this model, introduced by Oliver (1980), there are three determinants of satisfaction: expectations, perceptions and (dis)confirmation.

There are, however, other perspectives regarding this construct. Parasuraman, Zeithaml, and Berry (1994) describe satisfaction as a function of the quality of the product and its price. Satisfaction might also be defined as an affective response in the buying situation, resulting from a previous experience. Thus, satisfaction and the attitude created through previous experiences have an impact on the future buying decisions (Oliver, 1980).

The definition of satisfaction tends to divide the researchers. Yang and Peterson (2004) pointed out two very popular approaches: the transaction-specific satisfaction and the cumulative or overall satisfaction. The first defines satisfaction as the consumers' emotional response to their latest transaction experience with the organization. The second approach, on the other hand, presents satisfaction as a cumulative and summary evaluation made by consumers regarding specific products and various facets of the company (Yang & Peterson, 2004). This ongoing

satisfaction – required for the development of trust – results from the consistent satisfaction with individual transactions over time (Sahin et al., 2012).

For the purpose of this study we will use Wang (2002) definition of brand satisfaction as an overall emotional reaction to a brand purchase and usage experience. We aim to study the effects of brand satisfaction on brand commitment and brand loyalty.

3.7.1 BRAND SATISFACTION – BRAND COMMITMENT

Satisfaction plays a considerable role in consumers' decision to continue or discontinue the relationship with a brand (Sung & Choi, 2010). The previous authors tested and confirmed the link between consumers' satisfaction with the relationship with the brand and their commitment to that brand, proving that if a brand provides superior benefits that lead to satisfaction, consumers will commit to sustaining the relationship with that brand.

The causal relationship between consumers' satisfaction and their commitment to the brand has been studied and proven in the marketing literature – if a consumer is satisfied with his relationship with the brand, he is more likely to commit to that brand (Sung & Choi, 2010). According to Wang (2002) some other authors, as Bateman and Strasser (1984), and Williams and Hazer (1986), evidenced the positive relationship between satisfaction and commitment in organizational and other business settings.

It has been proven that satisfied customers tend to develop their affiliation with the organization in service settings (Aurier & N'Goala, 2010; Bolton, 1998), which we believe can be extrapolated to the brands' case. Aurier and N'Goala (2010) point out that overall satisfaction acts as a basic condition to develop trust as well as for building affiliation and identification with a specific supplier, which leads to affective commitment. Wang (2002) also tested and proved this relationship in two product categories – cars and TVs. Thus emerges the following hypothesis:

$H_{5A}^{(+)}$: Brand satisfaction has a positive influence on brand commitment.

3.7.2 BRAND SATISFACTION – BRAND LOYALTY

The marketing literature shows that customer satisfaction has a positive influence in loyalty (Anderson & Sullivan, 1993; Bloemer, Ruyter, & Wetzels, 1999; Choi et al., 2011; Silva & Alwi, 2006). Brands deliver satisfaction in order to gain their customers' loyalty, since satisfied customers develop loyalty intentions, translating into the willingness to repurchase (Gounaris et al., 2007).

Literature has highlighted the fact that satisfied customers are more likely to buy the product again than non-satisfied customers (Yang & Peterson, 2004), so they are more likely to show repurchase intention as well as recommend the product to others (Bennett & Rundle-Thiele, 2004; Zeithaml, Berry, & Parasuraman, 1996). Mohammad (2012) also underlined this view that satisfaction affects loyalty and it can be a predictor of other behavioral variables, such as repurchasing intention. This process of repurchasing, due to satisfaction, may lead to long-term relationships (Anderson & Narus, 1990), thus we can assert that satisfaction is an antecedent of loyalty, meaning that an increase in consumers' satisfaction leads to an increase in their loyalty levels toward the brand (Bennett, Härtel, & McColl-Kennedy, 2005; Bolton, 1998; Jones & Suh, 2000).

Oliver (1999) corroborates the effect of satisfaction on loyalty. Also Sahin et al. (2011) and Brakus et al. (2009) found a relationship between satisfaction and loyalty in their studies, whose purpose was to link brand experience to loyalty, through other variables, such as satisfaction. Yang and Peterson (2004) have also focused on the mediating role of satisfaction in the value – loyalty relationship, proving that perceived value will affect loyalty through satisfaction, similarly to what we propose.

In sum, satisfaction with the preferred brand is one of the determinants of customer repurchase intention for that brand (Sahin et al., 2012), thus we present the following hypothesis:

$H_{5B}^{(+)}$: Brand satisfaction has a positive influence on brand loyalty.

3.8 BRAND COMMITMENT

Rusbult (1983) defined commitment as the individual's orientation toward a relationship, including intent to maintain the relationship and the feeling of psychological attachment to a relational partner. Commitment is a psychological state related to the experience of dependence on a relationship and implies a long-term orientation (Sung & Choi, 2010).

Brand commitment has been conceptualized as an attitudinal construct. According to Traylor (1981, p. 52) *"the greater the brand commitment, the more firmly fixed is the brand as the only choice within the product class"*. This commitment to a specific brand may lead consumers to extremes, for example, a stock-out of the brand in a store may be a major problem for consumers, making them seek the brand elsewhere (Traylor, 1981). This shows that brand commitment reflects emotional or psychological attachment to one specific brand within the product class (Chaudhuri & Holbrook, 2002; Gundlach, Achrol, & Mentzer, 1995; Lastovicka & Gardner, 1978; Sung & Choi, 2010).

When consumers find what they believe is an optimal case, they commit to that relationship and stop looking for other alternatives; both parties mutually use commitment to continuously show their trustworthiness (Sahin et al., 2012; Wang, 2009).

In the consumer-brand relationship context, commitment has been defined as an emotional or psychological attachment to a brand within a product class (Fournier, 1998), and as the belief between the transaction partners that the maintenance of the relationship is of great importance (Morgan & Hunt, 1994). Brand commitment develops over time and reflects the degree in which a brand is viewed as the only acceptable choice within a category of products (Sahin et al., 2012). Consumers who have high levels of commitment toward their relationship with brands tend to connect with those brands and see them as integral parts of their lives (Fournier, 1998; Sahin et al., 2012).

Closely attached to brand commitment is the brand involvement construct. Although this construct is not addressed in our model, it is almost impossible to define brand commitment without referring brand involvement. Strong brand commitment has been closely linked to high levels of involvement – highly involved consumers are believed to search and process more product and store related information, as well as more easily develop brand and store loyalty

when they are satisfied (Warrington & Shim, 2000). So a brand is in a more stable and favorable position when it is preferred by highly involved consumers than if it is preferred by less involved ones (Traylor, 1981). Also, consumers value the amount of investment they have put into the relationship with the brand, so they are more likely to not discontinue the relationship if their perceived investment is large, and vice-versa (Sung & Choi, 2010).

According to Warrington and Shim (2000), there is a lack of consensus in literature regarding the relationship between commitment and involvement – some authors argue they both reflect varying degrees of attitudinal specificity, and therefore cannot be separated, while others defend the two concepts are conceptually distinct. For the purpose of this study, we will assume the latter position and focus on brand commitment as an independent construct, although we realize the consumers' commitment to the brand *Apple* may be influenced by their involvement toward that product category. In fact, some authors propose that "*product involvement and brand commitment are two different things, but that they vary directly: the higher the involvement, the greater the commitment, and, hence, loyalty to a brand*" (Traylor, 1981, p. 52).

Consumers' commitment to a brand may emerge from different motivations, therefore is important to distinguish between affective and calculative commitment. Affective commitment occurs when consumers have the desire of maintaining a relationship with a brand due to feelings of positive regard, liking and enjoyment of the relationship (Wang, 2002). This type of commitment is considered a 'hotter' or more emotional factor related to the identification of the customers and their personal involvement with the company (Johnson et al., 2006). On the other hand, calculative commitment (or continuance commitment) reflects the consumers' need to maintain a relationship strictly because leaving that relationship would bring too many costs (Wang, 2002). This type of commitment is more 'cold' or rational, and is based on the economic dependence of a certain product or features lacking in the market, which makes difficult to change suppliers (Johnson et al., 2006). Usually, consumers' commitment to a brand tends to be more affective than calculative, since there are so many alternatives in the market. Calculative commitment may be more prominent in certain product categories, such as some technology products that may have potential incompabilities among different manufacturers' products (Wang, 2002).

Although it is true that *Apple's* products have unique features (for example, the operating systems that only run in *Apple* devices) that are incompatible with other products, we believe consumers'

commitment to *Apple* is due to their love and admiration for the brand and not due to the incompatibility of the software (or they would not by *Apple* products in the first place). Thus we will only consider the affective commitment to have an impact on brand loyalty, since the affective commitment can often be manifested by an enduring preference for the brand over others, the continuous use of the brand, recommending it to others, and resistance to switching to the competition (Wang, 2002).

3.8.1 BRAND COMMITMENT – BRAND LOYALTY

Brand commitment and brand loyalty are closely related, but distinct concepts (Warrington & Shim, 2000). Brand commitment is an attitudinal concept, defined as emotional or psychological attachment to a brand within a product class, which means that brand is considered by consumers as the only acceptable choice regarding that product category (Traylor, 1981; Warrington & Shim, 2000). Brand loyalty, in turn, is accepted as a more behavioral concept, translated by the repeated purchase of the same brand over time. Warrington and Shim (2000) defend that brand commitment implies brand loyalty, although the reverse may not happen.

Commitment indicates the intention to maintain a relationship, but it only becomes meaningful when it develops consistently over time. Through this continuity, customer turnover may be reduced, and therefore the intention to stay is an important and desirable consequence of commitment (Ruyter et al., 2001).

Also Morgan and Hunt (1994) and Thompson, Rindfleisch, and Arsel (2006) display affective commitment as an antecedent of attitudinal loyalty. Since affective commitment has a strong emotive element, committed consumers are more likely to invest personal resources into maintaining the relationship, and they are less propone to switch to competing offerings, thereby showing a tendency toward loyalty to the existing relationship (Dwivedi & Johnson, 2013).

In its affective approach, relationship commitment is the result of an identification process (congruence in values, affiliation and belongingness), and not of an evaluation process, which may influence customer loyalty (Aurier & N'Goala, 2010). The previous authors also proved relationship commitment has a direct positive impact on behavioral relationship maintenance indicators (duration and exclusivity) in the retail banking sector. Gounaris et al. (2007) reinforced the role of commitment toward a certain brand as an antecedent of consumers' repurchase

behavior, which represents the behavioral loyalty dimension. Thereby, based on the literature review, we present the following hypothesis:

$H_6^{(+)}$: Brand commitment has a positive influence on brand loyalty.

3.9 BRAND LOYALTY

Consumer loyalty to a brand has long been seen in the marketing community as a major goal. Chief executives know that loyalty is an economic and competitive necessity, since it is much more expensive to acquire new customers than to maintain the old ones. In fact, the latter are the ones who stick around over the years and whose repeat purchases support the companies (Reichheld & Schefter, 2000). Mohammad (2012) shares the same view, pointing out the importance of customer loyalty to a brand in currents markets characterized by such high competition – keeping the customer loyal to the brand is imperative for the survival of the organization. Loyal customers are willing to pay more for the brand, and also lead to greater market share due to repeatedly purchases.

Measuring this construct, however, is extremely hard, so researchers have used attitudinal and behavioral measures to define and asses this variable. Attitudinal loyalty refers to the consumers' specific desire of continuing the relationship with the brand, and can be measured by their intention of continuing to buy the same brand's products or their refusal in exchanging for another brand – in other words, is the degree of dispositional commitment toward the brand. Behavioral loyalty refers to repeated purchase of the brand – or the proportion of times consumers choose the same brand in a specific category, compared with the total of purchases made in that category – and can also be measured by their willingness to recommend and say positive things about that brand (Chaudhuri & Holbrook, 2001; Oliver, 1999). Mohammad (2012) also conceptualized loyalty as a repetition of the purchase of the same brand, in a given product category, over time. So it is a measure of the degree of repurchase of a particular brand by the customer, in detriment of all the other competitor brands, indicating his preference toward that brand.

According to Gounaris et al. (2007), even though the behavioral perspective is widely used, it is not enough to explain the forming mechanisms of repurchase intention. The attitudinal perspective offers an interesting insight regarding loyalty, since it goes beyond the repetitive purchase – it implies a favorable attitude and commitment toward a specific brand as antecedents of the repurchase behavior.

Oliver (1999), on the other hand, proposed that brand loyalty develops in four stages: cognitive loyalty – it is the first loyalty stage, where the information the consumers have about the brand indicate that this particular brand is preferable to its alternatives (in this phase, loyalty relies only on brand beliefs); affective loyalty – refers to consumers' liking and positive attitudes toward the brand, accumulated through repetitive satisfying usage occasions; conative loyalty – refers to consumers' behavioral intentions or their deep commitment to buy, influenced by repeated episodes of positive affect toward the brand, but it might not translate into actions; and lastly, action loyalty – consumers turn their previous intentions to buy into actions.

In the present study, we will analyze consumers' loyalty to a brand (*Apple*) using the attitudinal and behavioral measures. So loyalty can be defined by the extent in which customers hold positive attitudes toward the brand, as well as their commitment and intention of repurchasing the brand in the future (Mohammad, 2012).

Consumers' loyalty to the brand is our final dependent variable and the core of this study. Therefore, Table 1 presents a synthesis of all the relationships between variables, from the first independent variable brand experience to the last and final dependent variable brand loyalty, as well as the literature that supports those relationships.

Table 1 – Overview of supporting literature for the proposed causal relationships between constructs.

CAUSAL RELATIONSHIPS		EXPECTED EFFECT	SUPPORTING LITERATURE
Brand experience	Brand perceived value	Positive	Hollenbeck et al. (2008); Huang and Huang (2012); Lodorfos et al. (2006).
Brand experience	Value consciousness	Negative	The impact of brand experience on price perceptions is understudied in the marketing literature. The only studies found – Hsieh and Chang (2004), and Lodorfos et al. (2006) – relate purchase experiences with price sensitivity. Although this is not enough to justify the relationship between brand experience and price perceptions, since the latter involves three other dimensions (value consciousness, price as quality indicator, and prestige sensitivity), it is a starting point to hypothesize that consumers' brand experience may affect the way they perceive its price, both in its negative and positive roles.
Brand experience	Price sensitivity	Negative	
Brand experience	Price as quality indicator	Positive	
Brand experience	Prestige sensitivity	Positive	
Brand perceived value	Brand trust	Positive	Gwin (2010); Karjaluoto et al. (2012); Mosavi and Ghaedi (2012); Ok et al. (2011); Chen (2012); Mohammad (2012).
Brand perceived value	Brand satisfaction	Positive	Sweeney and Soutar (2001); Woodruff (1997); Oliver (1981); Oliver (1996); Parasuraman (1997); McDougall and Levesque (2000); Day and Crask (2000); Hallowell (1996); Chiou (2004); Gounaris et al. (2007); Lam et al. (2004); Yang and Peterson (2004); Kuo, Wu, and Deng (2009).
Brand perceived value	Brand commitment	Positive	Aurier and Lanauze (2011); Aurier and N'Goala (2010); Johnson et al. (2006).
Value consciousness	Brand trust	Negative	Even though there are no studies that prove these direct relationships, based on Anuwichanont (2011) study we may suggest a negative link between value consciousness and brand trust, and between price
Price sensitivity	Brand trust	Negative	

CAUSAL RELATIONSHIPS		EXPECTED EFFECT	SUPPORTING LITERATURE
			sensitivity and brand trust.
Price as quality indicator	Brand trust	Positive	Also for this relationship there is lack of literary support, but based on Anuwichanont (2011) study we may suggest a positive link between price as quality indicator and brand trust.
Prestige sensitivity	Brand trust	Positive	Although the relationship between prestige sensitivity and brand trust is not strongly supported in the literature, some studies support a possible positive causal relationship between the two constructs, such as Anuwichanont (2011); Keh and Xie (2009); and Choi et al. (2011).
Value consciousness	Brand commitment	Negative	Although there is no studies that prove this direct relationship, based on the work of several authors, such as Ferreira (2010), Burton et al. (1998), Garretson et al. (2002), Jin and Suh (2005), Bao and Mandrik (2004), and Gómez and Rubio (2010), we propose a negative relationship between value consciousness and brand commitment.
Price sensitivity	Brand commitment	Negative	There is a gap in the literature regarding this direct relationship, but based on the work of authors such as Burton et al. (1998), Jin and Suh (2005), and Gómez and Rubio (2010), we propose a negative relationship between price sensitivity and brand commitment.
Price as quality indicator	Brand commitment	Positive	We found no studies that prove this direct relationship, but based on the work of authors such as Burton et al. (1998), Garretson et al. (2002), and Sinha and Batra (1999), we propose a positive relationship between price as quality indicator and brand commitment.

CAUSAL RELATIONSHIPS		EXPECTED EFFECT	SUPPORTING LITERATURE
Prestige sensitivity	Brand commitment	Positive	Even though there is a lack of support for this direct relationship, based on the work of authors such as Bao and Mandrik (2004), and Goldsmith et al. (2010), we propose a positive relationship between prestige sensitivity and brand commitment.
Brand trust	Brand commitment	Positive	Morgan and Hunt (1994); Ganesan and Hess (1997); Chaudhuri and Holbrook (2002); Garbarino and Johnson (1999); Sargeant and Lee (2004); Wang (2002); Aurier and N'Goala (2010); Moorman et al. (1992); Ganesan (1994); Geyskens et al. (1996); Dwivedi and Johnson (2013); Ruyter et al. (2001); Keh and Xie (2009); Ok et al. (2011).
Brand trust	Brand loyalty	Positive	Sahin et al. (2012); Mohammad (2012); Choi et al. (2011); Chiou and Droge (2006); Lodorfos et al. (2006); Ok et al. (2011); Chaudhuri and Holbrook (2001).
Brand satisfaction	Brand Commitment	Positive	Sung and Choi (2010); Rusbult and Buunk (1993), and Bettencourt (1997), cited by Sung and Choi (2010); Wang (2002); Aurier and N'Goala (2010).
Brand satisfaction	Brand loyalty	Positive	Anderson and Sullivan (1993); Bloemer et al. (1999); Choi et al. (2011); Silva and Alwi (2006); Yang and Peterson (2004); Bennett and Rundle-Thiele (2004); Zeithaml et al. (1996); Anderson and Narus (1990); Bennett et al. (2005); Bolton (1998); Jones and Suh (2000); Oliver (1999); Sahin et al. (2011); Brakus et al. (2009); Sahin et al. (2012); Mohammad (2012); Gounaris et al. (2007).
Brand commitment	Brand loyalty	Positive	Warrington and Shim (2000); Traylor (1981); Ruyter et al. (2001); Morgan and Hunt (1994); Thompson et al. (2006); Dwivedi and Johnson (2013); Aurier and N'Goala (2010); Gounaris et al. (2007).

CHAPTER IV – CONCEPTUAL MODEL

4.1 CONCEPTUAL MODEL AND HYPOTHESES

The main focus of this study is to determine the antecedents of consumers' brand loyalty to a specific brand – *Apple*. However, the survey was not applied to *Apple* clients only, since that could bias the results (considering that *Apple* clients have already purchased one or more products, and therefore indicting their loyalty to the brand). In order to contour this issue, we applied the survey both to *Apple* clients and non-clients, so the respondents did not necessarily need to possess *Apple* products; they were required only to have knowledge about the brand through the media and/or prior experiences with the products.

Due to this particularity, the study is split into two different phases. In the first phase, we will examine the correlations between the variables referring to the non-clients respondents' analysis: brand experience, brand perceived value, price perceptions, and brand trust, as illustrated in Figure 3. In a later phase, we will analyze all the previously referred variables, as well as brand satisfaction, brand commitment, and brand loyalty, since the last three can only be considered in the case of respondents who actually possess *Apple* products. Figure 4 presents the complete conceptual model relative to *Apple* clients' responses and all the proposed hypotheses are exposed in Table 2.

Table 2 – Overview of the proposed hypotheses and expected causal relationships between constructs.

$H_{1A}^{(+)}$	Brand experience has a positive influence on brand perceived value.
$H_{1B}^{(-)}$	Brand experience has a negative influence on value consciousness.
$H_{1C}^{(-)}$	Brand experience has a negative influence on price sensitivity.
$H_{1D}^{(+)}$	Brand experience has a positive influence on price as quality indicator.
$H_{1E}^{(+)}$	Brand experience has a positive influence on prestige sensitivity.
$H_{2A}^{(+)}$	Brand perceived value has a positive influence on brand trust.
$H_{2B}^{(+)}$	Brand perceived value has a positive influence on brand satisfaction.
$H_{2C}^{(+)}$	Brand perceived value has a positive influence on brand commitment.
$H_{3A}^{(-)}$	Value consciousness has a negative influence on brand trust.
$H_{3B}^{(-)}$	Value consciousness has a negative influence on brand commitment.

$H_{3C}^{(-)}$	Price sensitivity has a negative influence on brand trust.
$H_{3D}^{(-)}$	Price sensitivity has a negative influence on brand commitment.
$H_{3E}^{(+)}$	Price as quality indicator has a positive influence on brand trust.
$H_{3F}^{(+)}$	Price as quality indicator has a positive influence on brand commitment.
$H_{3G}^{(+)}$	Prestige sensitivity has a positive influence on brand trust.
$H_{3H}^{(+)}$	Prestige sensitivity has a positive influence on brand commitment.
$H_{4A}^{(+)}$	Brand trust has a positive influence on brand commitment.
$H_{4B}^{(+)}$	Brand trust has a positive influence on brand loyalty.
$H_{5A}^{(+)}$	Brand satisfaction has a positive influence on brand commitment.
$H_{5B}^{(+)}$	Brand satisfaction has a positive influence on brand loyalty.
$H_{6}^{(+)}$	Brand commitment has a positive influence on brand loyalty.

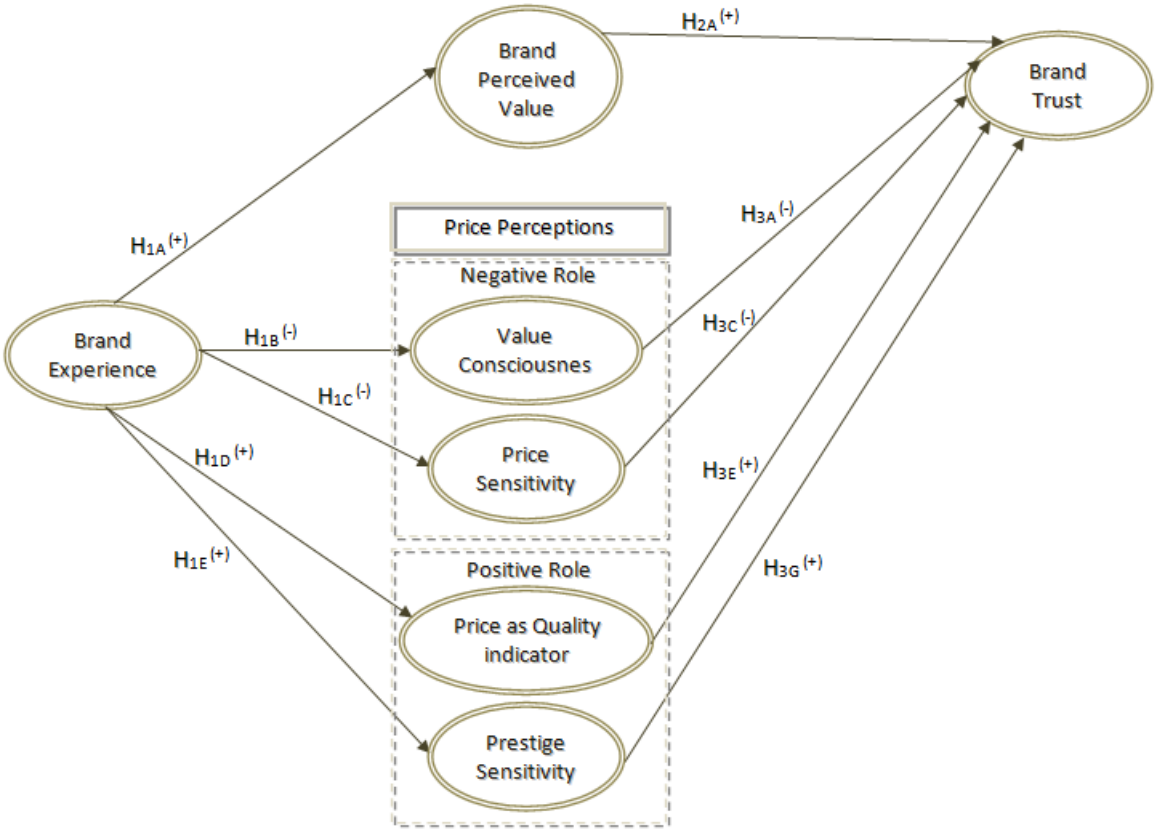

Figure 3 – Partial conceptual model relative to the non-clients respondents' analysis.

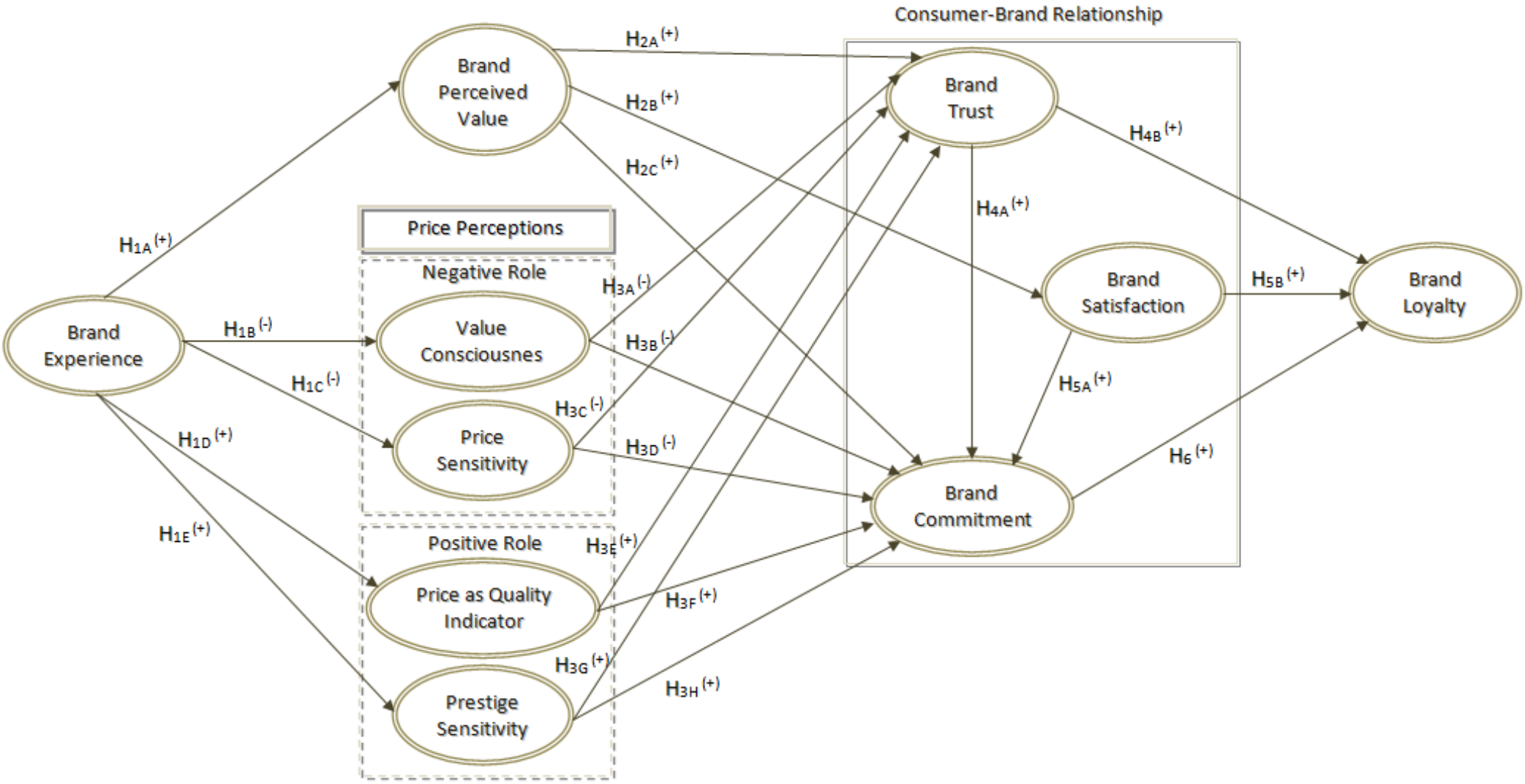

Figure 4 – Complete conceptual model relative to the clients respondents' analysis.

4.2 MEASURES AND SURVEY

A survey was performed in order to obtain data from consumers about their experiences and perceptions of the brand *Apple*. Only consumers with knowledge about the brand and/or prior experiences with the products were questioned to guarantee the reliability of the answers, but it was not mandatory for them to be *Apple* clients, since the study is split in two main categories – one referring to non-clients and the other specifically regarding *Apple* clients.

All the constructs were measured using a seven-point Likert-type response scale, with 'totally disagree' and 'totally agree' as response anchors.

The instruments used to measure the constructs were all adapted from prior investigations, in order to assure their validity. Items used for measuring brand experience were adapted from Brakus et al. (2009). Brand perceived value was measured using items adapted from Sweeney and Soutar (2001), and Gallarza and Saura (2006); whereas the measurements of price perceptions were adapted from Lichtenstein et al. (1993). In what concerns the consumer-brand relationship constructs, brand trust was measured using Wang (2002), Morgan and Hunt (1994), and Choi et al. (2011) items; the items used to measure brand satisfaction were adapted from Zhao, Lu, Zhang, and Chau (2012), Aurier and N'Goala (2010), and Sahin et al. (2011); and the items relative to brand commitment were adapted from Dwivedi and Johnson (2013), Aurier and Lanauze (2011), Sahin et al. (2012), and Johnson et al. (2006). Finally, brand loyalty was measured using items adapted from Sahin et al. (2011), Lin and Wang (2006), Pritchard, Havitz, and Howard (1999), Yang and Peterson (2004), and Zeithaml et al. (1996).

All the items were translated from English to Portuguese, since all the respondents were Portuguese. Table 3 shows all the items used to measure every construct. For a more detailed view of the original survey presented to the respondents, see Appendix A.

Table 3 – Items used to measure each construct.

AUTHORS	ITEMS	
	BRAND EXPERIENCE	
Brakus et al. (2009)	BE1	The brand *Apple* makes a strong impression on my senses (vision, hearing, touch, among others).
	BE2	I find this brand interesting in a sensory way, as it provokes senses in me.
	BE3	The brand *Apple* **does not** appeal to my senses (vision, hearing, touch, smell, taste).*
	BE4	The brand *Apple* provokes feelings and sentiments, such as satisfaction, pleasure, enjoyment, stress, irritation, among others.
	BE5	I **do not** have strong emotions for this brand, whether positive or negative (for instance, contentment, pleasure, anguish, stress, anger, among others).*
	BE6	*Apple* is an emotional brand, i.e., is a brand focused on the affective, deep and lasting relational bonds it creates with the clients.
	BE7	I engage in physical actions and behaviors when I use *Apple* products (for instance, I jog hearing music in my *iPod* or *iPhone*, I shop online using *Apple* products, etc).
	BE8	*Apple* provokes in me bodily experiences.
	BE9	This brand **is not** action oriented.*
	BE10	I engage in a lot of thinking when I use *Apple* products (using this brand demands mental effort).
	BE11	*Apple* **does not** make me think.*
	BE12	*Apple* stimulates my curiosity and problem solving capacity.
	BRAND PERCEIVED VALUE	
Sweeney and Soutar (2001)	BPV1	I enjoy the brand *Apple*.
	BPV2	This brand makes me want to use its products.
	BPV3	I feel good and it gives me pleasure to use *Apple* products.
	BPV4	Using *Apple* products would make a good impression of me on other people.
	BPV5	Using this brand gives me social approval (it makes me feel socially accepted or integrated).
	BPV6	This brand offers value for money, i.e., the amount of money I pay for its products is worth it.
	BPV7	*Apple* offers good products for the price charged.
	BPV8	*Apple* products have consistent quality – they always present the same level of quality.
	BPV9	*Apple* products are well made.
	BPV10	*Apple* has a good standard of quality.

AUTHORS		ITEMS
Gallarza and Saura (2006)	BPV11	Its products last long.
	BPV12	In my free time I enjoy using *Apple* products.
	BPV13	I think *Apple* provides me pleasurable moments.
	BPV14	I consider *Apple* products visually appealing.
	BPV15	I feel attracted by *Apple* products due to their design.
	PRICE PERCEPTIONS	
Lichtenstein et al. (1993)	VALUE CONSCIOUSNESS	
	PP1	When I purchase a product, I always try to maximize the quality I get for the money I spend.
	PP2	I generally shop for lower prices on products, but they still must meet certain quality requirements.
	PP3	Considering my stand on the two previous statements, I believe in a normal setting I **would not** buy *Apple* products (unless I believe that product has enough value to make my money worth).*
Lichtenstein et al. (1993)	PRICE SENSITIVITY	
	PP4	Usually I am willing to do an extra effort to find lower prices, for example, visit several stores until I find the one with the lowest price.
	PP5	I believe the money saved by finding low prices is worth the time and effort needed to find them.
	PP6	Generally speaking, I **would not** buy *Apple* products, since I perceive them as too expensive and I believe I would find relatively similar products for a lower price.*
Lichtenstein et al. (1993)	PRICE AS QUALITY INDICATOR	
	PP7	Usually, the higher the price of a product, the higher its quality.
	PP8	I see the price of *Apple* products as an indicator of their quality.
	PP9	I am willing to pay more for *Apple* products, because I believe we have to pay more to obtain the best.
Lichtenstein et al. (1993)	PRESTIGE SENSITIVITY	
	PP10	Buying a high-priced brand, such as *Apple*, makes me feel good about myself.
	PP11	I enjoy the prestige of buying a high-priced brand, like *Apple*.
	PP12	I think others make judgments about me based on the kinds of brands I buy; therefore I have purchased high-priced brands just because I knew other people would notice.
	PP13	Generally, I would buy *Apple* products because I believe it would influence the perception of others about me and it would give me some social prestige.

AUTHORS	ITEMS	
	BRAND TRUST	
Wang (2002)	BT1	*Apple* products are very reliable.
	BT2	*Apple* products never fall short of my expectations.
	BT3	I believe I will always be satisfied with *Apple* products.
	BT4	I know what to expect from this brand.
Morgan and Hunt (1994)	BT5	I feel *Apple* has high integrity (can be counted on to do what is right).
Choi et al. (2011)	BT6	*Apple* is a responsible brand that acts with good intentions.
Wang (2002)	BT7	I believe the information transmitted by *Apple* about its products is accurate.
	BT8	I consider *Apple* an honest and true organization.
	BT9	I think *Apple* is genuinely committed in satisfying its clients.
	BT10	*Apple* cares and listens to its clients.
	BT11	I believe this brand will do its best to solve a problem I might have.
	BRAND SATISFACTION	
Zhao et al. (2012)	BS1	*Apple* products always fully meet my expectations.
Aurier and N'Goala (2010)	BS2	I am happy with my decision of buying *Apple* products.
Sahin et al. (2011)	BS3	I am addicted to this brand in some way.
Zhao et al. (2012)	BS4	I am very satisfied with the *Apple* products.
	BRAND COMMITMENT	
Dwivedi and Johnson (2013)	BC1	I feel a strong sense of belonging toward *Apple*.
	BC2	This brand has a great deal of personal meaning for me.
	BC3	I am proud to be an *Apple* client.
Aurier and Lanauze (2011)	BC4	I am willing to make efforts to protect my relationship with this brand.
Sahin et al. (2012); Johnson et al. (2006)	BC5	It would be very hard for me to switch away from this brand at this point.
	BC6	I give feedback regularly about my evaluations and opinions on the products.
	BC7	If *Apple* was a person, I would like to have her as a friend.

AUTHORS		ITEMS
	BRAND LOYALTY	
Sahin et al. (2011)	BL1	I consider *Apple* products as my first choice in this product category (music players, computers, smartphones, and tablets).
	BL2	The next time I need to buy some of these products, I intend to buy this brand.
Lin and Wang (2006)	BL3	Even if close friends recommended another brand, my preference would not change.
Sahin et al. (2011)	BL4	I am willing to pay a premium price over competing products, in order to obtain *Apple* products.
	BL5	Commercials regarding competing brands are not able to reduce my interest in buying *Apple* products.
Pritchard et al. (1999)	BL6	I consider myself loyal to *Apple*.
Yang and Peterson (2004)	BL7	I say positive things about this brand.
Zeithaml et al. (1996)	BL8	I recommend *Apple* products to someone who seeks my advice.
Pritchard et al. (1999)	BL9	Please estimate how many times during the last three years you bought this type of products (music players, computers, smartphones, and tablets).
	BL10	From the total of products bought, how many were from *Apple*?

* reversed scores

CHAPTER V – DATA AND RESULTS

In the present chapter we will address the study's empirical work. It is divided into three sections describing the sample characteristics, the used methodology and the results obtained.

As previously referred, since we inquired both *Apple* clients and non-clients, we must now differentiate the results obtained for each case. Therefore, we will conduct separate exploratory factor analysis, as well as tests of hypotheses, and will later compare the results obtained in order to extract conclusions about the differences between *Apple* clients and non-clients regarding the brand.

5.1 SAMPLE

The target population of this study was the academic community in Portugal, comprising students, professors and researchers in the Portuguese Universities. The data was collected both online and through personal contact with the respondents. A total of 782 surveys were collected, from which 288 were incomplete and were discarded. Therefore, a total of 494 surveys were considered for analysis (63.17% valid response rate), from which 391 were collected online and 103 were collected through personal contact. Of the total of respondents, 260 were *Apple* clients and 234 were not, totaling a 52.6% clients' response rate and a 47.4% non-clients' response rate.

5.1.1 DEMOGRAPHICS

The sample demography was analyzed according to gender, age, education and professional occupation. Most of the respondents were female (61.9% against 38.1% male) and belonged to the 18 to 30 age range. Since the survey was applied in the academic community, all the respondents are attending college or already possess college degrees. Also, the majority of respondents are students (65.4%), although a relatively high percentage is employed (about 27%). Table 4 presents the sample's demographic results more thoroughly.

Table 4 – Sample demographic results.

	CLIENTS		NON-CLIENTS		TOTAL	
	FREQUENCY	%	FREQUENCY	%	FREQUENCY	%
GENDER						
Male	108	21.9%	80	16.2%	188	38.1%
Female	152	30.8%	154	31.2%	306	61.9%
AGE						
< 18	1	0.2%	0	0.0%	1	0.2%
18 to 30	181	36.6%	180	36.4%	361	73.1%
31 to 40	51	10.3%	28	5.7%	79	16.0%
> 40	27	5.5%	26	5.3%	53	10.7%
EDUCATION						
College attendance	54	10.9%	53	10.7%	107	21.7%
Bachelor Degree	100	20.2%	115	23.3%	215	43.5%
Masters Degree or PhD	106	21.5%	66	13.4%	172	34.8%
PROFESSION						
Student	159	32.2%	164	33.2%	323	65.4%
Professional/ Employed	63	12.8%	49	9.9%	112	22.7%
Self employed	12	2.4%	7	1.4%	19	3.8%
Top executive	2	0.4%	0	0.0%	2	0.4%
Other	24	4.9%	14	2.8%	38	7.7%

5.1.2 ANALYSIS OF THE NON-CLIENTS' REASONS FOR NOT BUYING *APPLE* PRODUCTS

The 234 non-clients respondents were inquired about the reasons why they do not possess *Apple* products, having the possibility of selecting more than one option. As represented on Chart 6 , the main reason appointed for not buying *Apple* products is their high price (105 out of the 234 respondents), although the respondents consider the quality of the products is worthy of such elevated price. 100 of the inquired non-clients also indicated the high price, but considering the quality is not worthy of such high amount of money. The next reason, referred by 95 respondents, was the fact that many people see *Apple* as a mean to obtain a certain status, and are not willing

to pay such a high price for it. Of the total of inquired people, 33 said they simply do not like this brand; and a very small percentage referred the lack of client support as a reason for not buying *Apple* products. Finally, it is interesting to note that none of the non-clients respondents appointed the lack of quality as a reason, thereby giving a hint that consumers in general, even those who are not *Apple* clients, have a high perceived value regarding the quality of this brand.

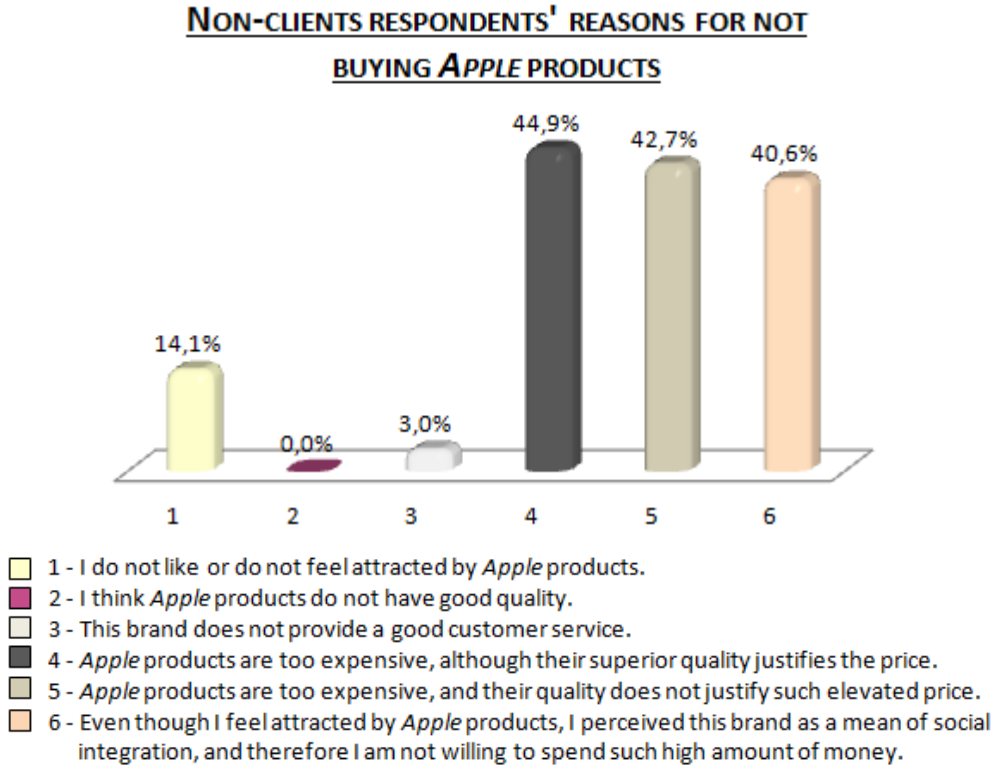

Chart 6 – Non-clients' reasons for not buying *Apple* products.

5.1.3 ANALYSIS OF THE PRODUCT CATEGORIES POSSESSED BY THE CLIENTS

Regarding the 260 *Apple* clients respondents, the sample used provided the following results relative to the type of product those respondents possess. Each respondent may have products from more than one category, so the total of products owned (480) is higher than the total of inquired clients (260).

Most of the respondents own a *Macintosh* (149 out of the 260 respondents). The next most possessed product category is *iPod* (139 respondents), followed by *iPhone* (108 of the inquired clients) and *iPad* (84 of the total of 260 inquired clients).

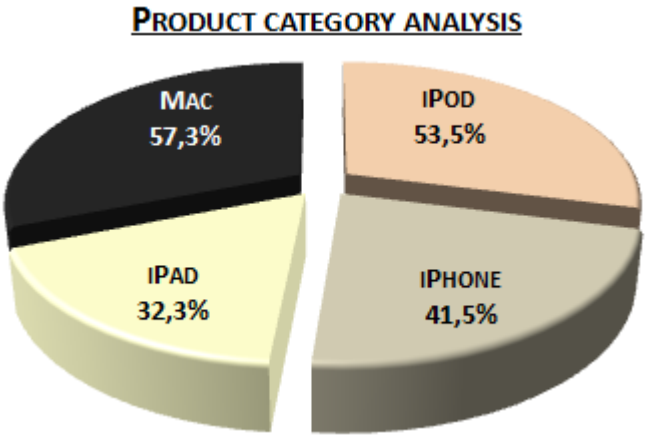

Chart 7 – Distribution of clients among *Apple* product categories.

5.2 METHODOLOGY

The analysis of the collected data was performed using the SPSS 20.0 software, comprising reliability analysis, exploratory factor analysis, linear regressions, and ANOVA. Reliability analysis is performed to ensure the scales' consistency and validity, exploratory factor analysis is used to obtain factors in order to proceed to linear regressions to test the proposed hypotheses, and the ANOVA is performed to compare differences of means among *Apple* product categories.

According to Curran, West, and Finch (1996), the distribution measures Skewness and Kurtosis bellow 2.0 and 7.0 in absolute values, respectively, demonstrate the data was gathered from a normal population.

In order to determine the reliability of the used scales, the following Cronbach's alpha reference values were used (see Table 5). Pestana and Gageiro (2003) argue these are one of the most used measures to evaluate the internal consistency and reliability of a scale composed of a group of items.

Table 5 – Cronbach's alpha reference values.

SCALE CONSISTENCY	CRONBACH'S ALPHA REFERENCE VALUES
Very good	> 0.9
Good	0.8 – 0.9
Reasonable	0.7 – 0.8
Weak	0.6 – 0.7
Unacceptable	< 0.6

(Pestana & Gageiro, 2003)

In a posterior phase, an exploratory factor analysis was conducted using the reference values of Kaiser-Meyer-Olkin (KMO), which estimates how appropriate the sample is to the group of variables (see Table 6).

Table 6 – Kaiser-Meyer-Olkin (KMO) reference values.

EXPLORATORY FACTOR ANALYSIS	KMO REFERENCE VALUES
Very good	[0.9 – 1]
Good	[0.8 – 0.9[
Average	[0.7 – 0.8[
Reasonable	[0.6 – 0.7[
Weak	[0.5 – 0.6[
Unacceptable	< 0.5

(Pestana & Gageiro, 2003)

It was also respected a reference value for the communalities, being considered only values above the [0.5 – 0.6] interval. Regarding the exploratory factor analysis, the principal component and orthogonal factor rotation using varimax method were used, with a reference value of 0.6 for the KMO, since it indicates the adequacy of the sample dimension to the items used, from 'reasonable' to 'very good'.

5.3 RESULTS

5.3.1 SCALES' RELIABILITY AND CONSISTENCY: NON-CLIENTS' MODEL

Through the reliability analysis of the non-clients' model, we were able to confirm the internal consistency of the scales used, since all the items presented skewness and kurtosis absolute values lower than 2.0 and 7.0, respectively, complying to Curran et al. (1996) recommendation.

The items used to measure brand experience and brand perceived value reached good Cronbach's alpha values (0.848 and 0.899), while the eleven items regarding brand trust presented a Cronbach's alpha value of 0.932, showing an excellent scale internal consistency. However, the Cronbach's alpha values for value consciousness and price sensitivity were weaker (0.536 and 0.664, respectively). As for the other dimensions of price perceptions – price as quality indicator and prestige sensitivity – the Cronbach's alpha values obtained were 0.743 and 0.850, thus demonstrating reasonable to good reliability of the used scales.

Table 7 – Scales' reliability analysis results for the non-clients' model.

VARIABLES	ITEM	MEAN	STD. DEVIATION	SKEWNESS	KURTOSIS	CRONBACH'S ALPHA
BRAND EXPERIENCE	BE1	4.39	1.641	-0.565	-0.452	**0.848**
	BE2	4.21	1.583	-0.525	-0.499	
	BE3	4.68	1.712	-0.576	-0.501	
	BE4	3.79	1.584	-0.278	-0.816	
	BE5	3.80	1.878	0.153	-1.210	
	BE6	4.22	1.634	-0.439	-0.650	
	BE7	2.70	1.641	0.443	-1.029	
	BE8	2.58	1.455	0.572	-0.559	
	BE9	4.70	1.379	-0.231	-0.120	
	BE10	3.03	1.355	-0.036	-0.991	
	BE11	4.15	1.612	-0.177	-0.461	
	BE12	3.74	1.428	-0.487	-0.354	

VARIABLES	ITEM	MEAN	STD. DEVIATION	SKEWNESS	KURTOSIS	CRONBACH'S ALPHA
BRAND PERCEIVED VALUE	BPV1	4.80	1.538	-0.716	-0.075	**0.899**
	BPV2	4.35	1.732	-0.452	-0.722	
	BPV3	4.00	1.563	-0.341	-0.338	
	BPV4	3.88	1.784	-0.209	-0.899	
	BPV5	3.41	1.895	0.137	-1.151	
	BPV6	3.62	1.587	-0.060	-0.925	
	BPV7	3.90	1.652	-0.140	-1.108	
	BPV8	4.54	1.323	-0.502	-0.048	
	BPV9	5.24	1.247	-1.165	1.317	
	BPV10	5.38	1.210	-1.270	1.916	
	BPV11	4.57	1.398	-0.603	0.416	
	BPV12	3.15	1.661	0.065	-1.122	
	BPV13	3.85	1.534	-0.559	-0.409	
	BPV14	5.65	1.211	-1.339	2.573	
	BPV15	5.17	1.546	-1.083	0.829	
VALUE CONSCIOUSNESS	PP1	6.15	1.052	-1.218	0.603	**0.536**
	PP2	5.58	1.373	-1.101	0.894	
	PP3	2.54	1.514	1.138	0.704	
PRICE SENSITIVITY	PP4	5.58	1.262	-1.034	1.416	**0.664**
	PP5	5.48	1.271	-0.954	1.189	
	PP6	2.91	1.633	0.742	-0.319	
PRICE AS QUALITY INDICATOR	PP7	3.76	1.489	-0.189	-0.945	**0.743**
	PP8	3.97	1.466	-0.220	-0.786	
	PP9	3.10	1.518	0.352	-0.798	
PRESTIGE SENSITIVITY	PP10	2.45	1.545	0.834	-0.380	**0.850**
	PP11	2.52	1.595	0.709	-0.778	
	PP12	2.54	1.650	0.805	-0.470	
	PP13	2.22	1.441	1.123	0.383	

VARIABLES	ITEM	MEAN	STD. DEVIATION	SKEWNESS	KURTOSIS	CRONBACH'S ALPHA
	BT1	5.08	1.209	-0.781	0.538	
	BT2	4.25	1.296	-0.423	0.427	
	BT3	4.15	1.312	-0.467	0.321	
	BT4	4.52	1.150	-0.317	0.763	
	BT5	4.36	1.323	-0.603	0.379	
BRAND TRUST	BT6	4.37	1.418	-0.489	0.10	**0.932**
	BT7	4.53	1.274	-0.655	0.515	
	BT8	4.44	1.332	-0.454	-0.066	
	BT9	4.97	1.300	-0.768	0.371	
	BT10	4.37	1.223	-0.246	0.812	
	BT11	4.47	1.198	-0.337	0.741	
N	234					

5.3.2 SCALES' RELIABILITY AND CONSISTENCY: CLIENTS' MODEL

Regarding the *Apple* clients' model, the results of the reliability analysis showed that for the most part there was internal consistency for the scales used. The only scale that presents a slightly inconsistency is the brand perceived value scale, with one item barely above 7.0 for the kurtosis value (item BPV17, kurtosis value of 7.468).

The Cronbach's alpha values for brand experience and brand perceived value showed good and very good internal consistency (0.850 and 0.919, respectively), presenting a small improvement in comparison with the non-clients' model. The brand trust construct also demonstrated very good scale reliability (0.949), as it did on the non-clients' model. Again value consciousness (0.489) and price sensitivity (0.664) presented weaker scale reliability, while price as quality indicator and prestige sensitivity demonstrated good reliability of the used scales (0.803 and 0.876, respectively), showing some improvement in relation to the non-clients' model. The exclusive constructs of this model – brand satisfaction, brand commitment, and brand loyalty – demonstrated good to very good scale internal consistency, presenting Cronbach's alpha values of 0.827, 0.901, and 0.900, respectively.

Table 8 – Scales' reliability analysis results for the clients' model.

VARIABLES	ITEM	MEAN	STD. DEVIATION	SKEWNESS	KURTOSIS	CRONBACH'S ALPHA
BRAND EXPERIENCE	BE1	5.44	1.463	-1.269	1.353	**0.850**
	BE2	5.34	1.489	-1.224	1.215	
	BE3	5.50	1.602	-1.072	0.204	
	BE4	5.07	1.465	-0.871	0.409	
	BE5	5.25	1.657	-0.826	-0.216	
	BE6	5.07	1.491	-0.866	0.283	
	BE7	4.80	1.875	-0.781	-0.511	
	BE8	3.62	1.717	-0.027	-0.941	
	BE9	5.25	1.380	-0.420	-0.714	
	BE10	2.48	1.464	1.025	0.380	
	BE11	4.38	1.629	-0.243	-0.580	
	BE12	4.69	1.532	-0.737	0.137	
BRAND PERCEIVED VALUE	BPV1	6.07	1.249	-2.198	5.464	**0.919**
	BPV2	5.75	1.511	-1.667	2.456	
	BPV3	5.61	1.465	-1.429	1.740	
	BPV4	4.10	1.646	-0.303	-0.541	
	BPV5	3.52	1.813	0.026	-1.081	
	BPV6	5.20	1.584	-1.190	0.766	
	BPV7	4.93	1.613	-0.910	0.074	
	BPV8	5.60	1.259	-1.400	2.191	
	BPV9	6.02	1.090	-2.102	5.828	
	BPV10	6.08	0.979	-1.870	4.832	
	BPV11	5.71	1.369	-1.406	1.931	
	BPV12	5.57	1.350	-1.202	1.435	
	BPV13	5.53	1.277	-1.214	1.722	
	BPV14	6.33	0.977	-2.272	7.468	
	BPV15	5.93	1.288	-1.852	3.824	
VALUE CONSCIOUSNESS	PP1	6.13	0.888	-1.334	3.088	**0.489**
	PP2	4.75	1.523	-0.556	-0.501	
	PP3	3.79	1.979	0.195	-1.329	
PRICE SENSITIVITY	PP4	5.10	1.484	-0.830	0.037	**0.664**
	PP5	4.78	1.551	-0.592	-0.444	
	PP6	5.02	1.666	-0.697	-0.480	

VARIABLES	ITEM	MEAN	STD. DEVIATION	SKEWNESS	KURTOSIS	CRONBACH'S ALPHA
PRICE AS QUALITY INDICATOR	PP7	3.35	1.566	0.282	-1.030	**0.803**
	PP8	4.25	1.536	-0.427	-0.777	
	PP9	4.10	1.573	-0.232	-0.818	
PRESTIGE SENSITIVITY	PP10	2.69	1.542	0.559	-0.686	**0.876**
	PP11	2.73	1.682	0.586	-0.895	
	PP12	2.13	1.476	1.312	0.747	
	PP13	2.06	1.407	1.397	1.211	
BRAND TRUST	BT1	5.96	1.024	-1.727	4.698	**0.949**
	BT2	5.35	1.446	-1.123	0.800	
	BT3	5.09	1.513	-0.940	0.321	
	BT4	5.53	1.085	-0.895	1.164	
	BT5	4.95	1.444	-0.664	0.155	
	BT6	4.83	1.511	-0.488	-0.286	
	BT7	5.27	1.349	-1.052	0.937	
	BT8	5.08	1.420	-0.787	0.467	
	BT9	5.62	1.272	-1.375	2.354	
	BT10	5.22	1.364	-0.773	0.596	
	BT11	5.31	1.386	-0.951	0.751	
BRAND SATISFACTION	BS1	5.42	1.326	-1.167	1.180	**0.827**
	BS2	5.92	1.181	-1.869	4.537	
	BS3	3.94	1.933	-0.079	-1.269	
	BS4	5.83	1.122	-1.721	4.299	
BRAND COMMITMENT	BC1	4.19	1.803	-0.205	-0.946	**0.901**
	BC2	4.00	1.796	-0.131	-0.896	
	BC3	4.37	1.696	-0.314	-0.463	
	BC4	3.50	1.813	0.171	-1.019	
	BC5	4.17	2.091	-0.132	-1.393	
	BC6	2.77	1.845	0.772	-0.657	
	BC7	3.96	1.748	-0.220	-0.723	

VARIABLES	ITEM	MEAN	STD. DEVIATION	SKEWNESS	KURTOSIS	CRONBACH'S ALPHA
BRAND LOYALTY	BL1	4.76	1.919	-0.586	-0.875	0.900
	BL2	4.53	1.767	-0.460	-0.645	
	BL3	4.13	1.817	-0.108	-0.942	
	BL4	4.12	1.796	-0.269	-0.984	
	BL5	4.45	1.837	-0.339	-0.930	
	BL6	3.86	1.932	0.078	-1.228	
	BL7	5.52	1.263	-1.366	2.717	
	BL8	5.35	1.435	-1.178	1.412	
	BL9	3.55	2.228	1.904	5.861	
	BL10	2.00	1.503	1.933	6.061	
N	260					

5.3.3 EXPLORATORY FACTOR ANALYSIS FOR THE NON-CLIENTS' MODEL

BRAND EXPERIENCE

In the brand experience exploratory factor analysis some of the items had to be eliminated due to low communality values. The first item eliminated was '**BE6** – *Apple* is an emotional brand, i.e., is a brand focused on the affective, deep and lasting relational bonds it creates with the clients'; followed by item '**BE10** – I engage in a lot of thinking when I use *Apple* products (using this brand demands mental effort)'.

After dropping item BE10 all the remaining items had communality values higher than 0.5. However, item BE12 presented a very low factorial weight (0.514, which is inferior to the recommended value of 0.6) and for that reason we had to continue eliminating the items with communalities between 0.5 and 0.6, since some authors argue that 0.6 is the recommended limit.

The next item with the lower communality value was '**BE5** – I *do not* have strong emotions for this brand, whether positive or negative (for instance, contentment, pleasure, anguish, stress, anger, among others)' and after eliminating this item, BE12 continued with a factorial weight lower than 0.6, thus we then had to drop item '**BE11** – *Apple does not* make me think'. Following that elimination, item '**BE9** – This brand *is not* action oriented' presented a very low communality value (0.215) and was therefore removed. After that removal, it was item '**B12** – *Apple* stimulates

my curiosity and problem solving capacity' who presented a low communality value and was dropped. This was the last iteration, since from all the remaining items the lowest communality value was 0.583 (belonging to item BE3), which is very close to the 0.6 recommended value, and the factorial weight of that item was also good (0.758).

Two factors were extracted, presenting a KMO value of 0.769, considered average, and a total of explained variance of 73.269% also considered reasonable.

- Factor 1: comprising the ***sensory/affective*** dimensions – this concerns to the senses and emotional feelings stimulated by the brand;
- Factor 2: regarding to the ***behavioral*** dimension – evaluated through physical experiences and interactions with the brand.

The other dimension referred in the literature – intellectual (related to the capacity of the brand to stimulate consumers' thinking) – was not representative in the non-clients' model.

Table 9 – Brand experience exploratory factor analysis for the non-clients' model.

ITEMS		FACTOR(S)	
		FACTOR 1	FACTOR 2
BE1	The brand *Apple* makes a strong impression on my senses (vision, hearing, touch, among others).	0.883	
BE2	I find this brand interesting in a sensory way, as it provokes senses in me.	0.898	
BE3	The brand *Apple* **does not** appeal to my senses (vision, hearing, touch, smell, taste).	0.758	
BE4	The brand *Apple* provokes feelings and sentiments, such as satisfaction, pleasure, enjoyment, stress, irritation, among others.	0.688	
BE7	I engage in physical actions and behaviors when I use *Apple* products (for instance, I jog hearing music in my *iPod* or *iPhone*, I shop online using *Apple* products, etc).		0.888
BE8	*Apple* provokes in me bodily experiences.		0.842
	Total value	3.227	1.73
	Variance (%)	45.042	28.227
	Cumulative variance (%)	45.042	73.269
	Cronbach's alpha	0.848	0.726

BRAND PERCEIVED VALUE

Regarding the brand perceived value construct, the KMO value obtained was 0.851, which is good, proving the quality of the sampling adequacy, and the total of variance explained was 73.940%. All the items showed communality values over 0.6, and therefore none was removed. Four factors were extracted:

- Factor 3: regarding the ***functional value*** – this comprises two dimensions: *price/value for money* and *performance/quality*;
- Factor 4: this factor agglomerates items from three different dimensions referred in the literature – ***emotional value***, ***price/value for money***, and ***play value***;
- Factor 5: is composed of items from both ***emotional value*** and ***aesthetic value***;
- Factor 6: referring to the ***social value***.

It is important to note that, although all the items present communality values above the 0.6 recommendation, some of the items have factorial weights under 0.6, namely, items '**BPV1** – I enjoy the brand *Apple*' (highest factorial weight of 0.547); '**BPV6** – This brand offers value for money, i.e., the amount of money I pay for its products is worth it' (highest factorial weight of 0.578); and '**BPV7** – *Apple* offers good products for the price charged' (highest factorial weight of 0.596). We placed these items on the factor where they had the highest factorial weight, even though that value was under 0.6. That is the reason why factors 4 and 5 have a mix of items that theoretically belong to different dimensions.

Paying closer attention to the items, it makes sense that they have low factorial weights in the non-clients' model, since they require some involvement of the consumers with the brand in order to be able to tell if they enjoy the brand, and if they think the brand offers value for money and good products for the price charged. But since this model refers to the non-clients, it is expected that they have contradictory opinions on these issues.

Table 10 – Brand perceived value exploratory factor analysis for the non-clients' model.

	ITEMS	FACTOR(S)			
		FACTOR 3	FACTOR 4	FACTOR 5	FACTOR 6
BPV7	*Apple* offers good products for the price charged.	0.596			
BPV8	*Apple* products have consistent quality – they always present the same level of quality.	0.757			
BPV9	*Apple* products are well made.	0.882			
BPV10	*Apple* has a good standard of quality.	0.862			
BPV11	Its products last long.	0.751			
BPV3	I feel good and it gives me pleasure to use *Apple* products.		0.693		
BPV6	This brand offers value for money, i.e., the amount of money I pay for its products is worth it.		0.578		
BPV12	In my free time I enjoy using *Apple* products.		0.826		
BPV13	I think *Apple* provides me pleasurable moments.		0.816		
BPV1	I enjoy the brand *Apple*.			0.547	
BPV2	This brand makes me want to use its products.			0.626	
BPV14	I consider *Apple* products visually appealing.			0.849	
BPV15	I feel attracted by *Apple* products due to their design.			0.794	
BPV4	Using *Apple* products would make a good impression of me on other people.				0.883
BPV5	Using this brand gives me social approval (it makes me feel socially accepted or integrated).				0.914
	Total value	3.848	2.913	2.816	1.797
	Variance (%)	23.981	20.933	16.757	12.270
	Cumulative variance (%)	23.981	44.913	61.670	73.940
	Cronbach's alpha	0.862	0.836	0.852	0.846

PRICE PERCEPTIONS

- VALUE CONSCIOUSNESS

In the first attempt of performing the exploratory factor analysis for the value consciousness construct, we used the inverted scale for the negative item. The results showed that item '**PP1** – When I purchase a product, I always try to maximize the quality I get for the money I spend' had to be eliminated due to a low communality value. Afterwards, the remaining items had communality values above 0.6, but the factorial weight of item PP3 was negative (PP3 was one of the negative items) originating a negative Cronbach's alpha value of -1.033.

Since this problem is related to the fact that some items are in a negative form – but the respondents might have not notice the negative form of the sentence and therefore answered as if it was a positive sentence, thus biasing the results – we decided to perform the exploratory factor analysis using a non-inverted scale for the negative items.

Again, item **PP1** showed a low communality value and had to be eliminated. Afterwards, one factor was extracted – the KMO value obtained was 0.500, which is weak, and the total of variance explained was 67.106%. Also, the Cronbach's alpha value for this factor is very weak (<0.6), but both the communality values and factorial weights of the remaining items are good, so this very weak scale internal consistency might be related with the scarce number of items that compose the scale (only two items) and also to the fact that one of those items is in a negative form.

Table 11 – Value consciousness exploratory factor analysis for the non-clients' model.

ITEMS		FACTOR(S)
		FACTOR 7
PP2	I generally shop for lower prices on products, but they still must meet certain quality requirements.	0.819
PP3	Considering my stand on the two previous statements, I believe in a normal setting I **would not** buy *Apple* products (unless I believe that product to have enough value to make my money worth).	0.819
	Total value	1.638
	Cumulative variance (%)	67.106
	Cronbach's alpha	0.508

- PRICE SENSITIVITY

Regarding the price sensitivity exploratory factor analysis, item '**PP6** – Generally speaking, I *would not* buy *Apple* products, since I perceive them as too expensive and I believe I would find relatively similar products for a lower price' had a low communality value and thus was eliminated.

From that elimination, one factor was extracted demonstrating a weak sample appropriateness (KMO = 0.500), but a total of variance explained of 82.749%, which shows a high contribution of the used items in explaining the price sensitivity variance. Note that the Cronbach's alpha value for this factor (0.792) is significantly better than the previous one, which might be related with the fact that the negative item (PP6) was eliminated, therefore improving the internal consistency of the scale.

Table 12 – Price sensitivity exploratory factor analysis for the non-clients' model.

ITEMS		FACTOR(S)
		FACTOR 8
PP4	Usually I am willing to do an extra effort to find lower prices, for example, visit several stores until I find the one with the lowest price.	0.910
PP5	I believe the money saved by finding low prices is worth the time and effort needed to find them.	0.910
	Total value	1.82
	Cumulative variance (%)	82.749
	Cronbach's alpha	0.792

† PRICE AS QUALITY INDICATOR

The exploratory factor analysis of the price as quality indicator construct provided a KMO value of 0.667, showing an average appropriateness of the sample to the used items, as well as reasonable values of the Cronbach's alpha and total of variance explained (0.743 and 66.224%, respectively).

Table 13 – Price as quality indicator exploratory factor analysis for the non-clients' model.

	ITEMS	FACTOR(S)
		FACTOR 9
PP7	Usually, the higher the price of a product, the higher its quality.	0.762
PP8	I see the price of the *Apple* products as an indicator of their quality.	0.854
PP9	I am willing to pay more for *Apple* products, because I believe we have to pay more to obtain the best.	0.823
	Total value	2.439
	Cumulative variance (%)	66.224
	Cronbach's alpha	0.743

† PRESTIGE SENSITIVITY

In what concerns price perceptions, the prestige sensitivity construct was the one with best results. The KMO value obtained was 0.728, the Cronbach's alpha value of 0.850 shows a good scale reliability, and the total of variance explained value (69.663%) was also acceptable.

Table 14 – Prestige sensitivity exploratory factor analysis for the non-clients' model.

	ITEMS	FACTOR(S)
		FACTOR 10
PP10	Buying a high-priced brand, such as *Apple*, makes me feel good about myself.	0.855
PP11	I enjoy the prestige of buying a high-priced brand, like *Apple*.	0.888
PP12	I think others make judgments about me based on the kinds of brands I buy; therefore I have purchased high-priced brands just because I knew other people would notice.	0.730
PP13	Generally, I would buy *Apple* products because I believe it would influence the perception of others about me and it would give me some social prestige.	0.856
	Total value	3.329
	Cumulative variance (%)	69.663
	Cronbach's alpha	0.850

BRAND TRUST

After the first exploratory factor analysis iteration regarding the brand trust construct, one item had to be removed, due to its low communality value (0.260): '**BT4** – I know what to expect from this brand'. The elimination of this item led to a KMO value of 0.922, showing a great appropriateness of the sample size to the items, and a total explained variance of 74.838%, which is a reasonable value. Two factors were extracted:

- Factor 11: is composed of items regarding the ***integrity***, ***honesty***, and ***altruism*** dimensions;
- Factor 12: referring to the ***reliability*** dimension.

Table 15 – Brand trust exploratory factor analysis for the non-clients' model.

ITEMS		FACTOR(S)	
		FACTOR 11	FACTOR 12
BT5	I feel *Apple* has high integrity (can be counted on to do what is right).	0.651	
BT6	*Apple* is a responsible brand that acts with good intentions.	0.740	
BT7	I believe the information transmitted by *Apple* about its products is accurate.	0.738	
BT8	I consider *Apple* an honest and true organization.	0.801	
BT9	I think *Apple* is genuinely committed in satisfying its clients.	0.788	
BT10	*Apple* cares and listens to its clients.	0.816	
BT11	I believe this brand will do its best to solve a problem I might have.	0.827	
BT1	*Apple* products are very reliable.		0.687
BT2	*Apple* products never fall short of my expectations.		0.870
BT3	I believe I will always be satisfied with *Apple* products.		0.848
	Total value	5.361	2.405
	Variance (%)	43.768	31.071
	Cumulative variance (%)	43.768	74.838
	Cronbach's alpha	0.939	0.831

5.3.4 EXPLORATORY FACTOR ANALYSIS FOR THE CLIENTS' MODEL

BRAND EXPERIENCE

In the brand experience exploratory factor analysis for the clients' model three factors were extracted (unlike the non-clients' model, which presented only two). But in order to obtain those factors, some items had to be dropped due to low communality values. Item '**BE9** – This brand *is not* action oriented' was the first to be eliminated, followed by items '**BE6** – *Apple* is an emotional brand, meaning, is a brand focused on the affective, deep and lasting relational bonds it creates with the clients' and '**BE12** – *Apple* stimulates my curiosity and problem solving capacity'. After that, the KMO value obtained was 0.800 showing good sample appropriateness, and the total of variance explained was 68.611%, considered a reasonable value. The factors extracted represented the following dimensions:

- Factor 13: regarding the ***sensory/affective*** dimensions – concerns to the senses and emotional feelings stimulated by the brand;
- Factor 14: referring to the ***behavioral*** dimension – evaluated through physical experiences and interactions with the brand;
- Factor 15: concerning the ***intellectual*** dimension – related to the capacity of the brand to stimulate consumers' thinking.

It is noteworthy that the Cronbach's alpha value for factor 15 is very weak (<0.6), but both the communality values and factorial weights of the items that compose it are good, so this might be related with the scarce number of items comprising the scale (only two items) and also to the fact that one of those items is in a negative form.

Table 16 – Brand experience exploratory factor analysis for the client's model.

	ITEMS	FACTOR(S)		
		FACTOR 13	FACTOR 14	FACTOR 15
BE1	The brand *Apple* makes a strong impression on my senses (vision, hearing, touch, among others).	0.814		
BE2	I find this brand interesting in a sensory way, as it provokes senses in me.	0.839		
BE3	The brand *Apple* **does not** appeal to my senses (vision, hearing, touch, smell, taste).	0.809		
BE4	The brand *Apple* induces provokes feelings and sentiments, such as satisfaction, pleasure, enjoyment, stress, irritation, among others.	0.720		
BE5	I **do not** have strong emotions for this brand, whether positive or negative (for instance, contentment, pleasure, anguish, stress, anger, among others).	0.683		
BE7	I engage in physical actions and behaviors when I use *Apple* products (for instance, I jog hearing music in my *iPod* or *iPhone*, I shop online using *Apple* products, etc).		0.833	
BE8	*Apple* provokes in me bodily experiences.		0.814	
BE10	I engage in a lot of thinking when I use *Apple* products (using this brand demands some mental effort).			0.791
BE11	*Apple* **does not** make me think.			0.736
	Total value	3.865	1.647	1.527
	Variance (%)	35.690	19.081	13.840
	Cumulative variance (%)	35.690	54.771	68.611
	Cronbach's alpha	0.862	0.750	0.348

BRAND PERCEIVED VALUE

This construct presented a KMO value of 0.890, demonstrating a good quality of the sampling adequacy, and a total of variance explained of 72.062%, which is reasonable. All the items showed communality values over 0.6, so none was removed. Three factors were extracted:

- Factor 16: regarding the ***emotional value***, ***play value*** and ***aesthetic value*** dimensions;
- Factor 17: concerning the ***functional value***, which comprises two dimensions: *price/value for money* and *performance/quality*;
- Factor 18: referring to the ***social value***.

Unlike the non-clients' case, where some of the brand perceived value items showed weak factorial weights (probably due to the limited experience and involvement of the non-clients with the brand), in the clients' model all items have factorial weights greater than 0.6.

Table 17 – Brand perceived value exploratory factor analysis for the clients' model.

	ITEMS	FACTOR(S)		
		FACTOR 16	FACTOR 17	FACTOR 18
BPV1	I enjoy the brand *Apple*.	0.676		
BPV2	This brand makes me want to use its products.	0.712		
BPV3	I feel good and it gives me pleasure to use *Apple* products.	0.699		
BPV12	In my free time I enjoy using *Apple* products.	0.716		
BPV13	I think *Apple* provides me pleasurable moments.	0.757		
BPV14	I consider *Apple* products visually appealing.	0.807		
BPV15	I feel attracted by *Apple* products due to their design.	0.780		
BPV6	This brand offers value for money, i.e., the amount of money I pay for its products is worth it.		0.807	
BPV7	*Apple* offers good products for the price charged.		0.820	
BPV8	*Apple* products have consistent quality – they always present the same level of quality.		0.717	
BPV9	*Apple* products are well made.		0.727	
BPV10	*Apple* has a good standard of quality.		0.734	
BPV11	Its products last long.		0.754	
BPV4	Using *Apple* products would make a good impression of me on other people.			0.895
BPV5	Using this brand gives me social approval (it makes me feel socially accepted or integrated).			0.889
	Total value	5.147	4.559	1.784
	Variance (%)	30.092	29.032	12.938
	Cumulative variance (%)	30.092	59.124	72.062
	Cronbach's alpha	0.919	0.891	0.861

PRICE PERCEPTIONS

- VALUE CONSCIOUSNESS

Similarly to what had happened for the non-clients' model, we began the analysis of this construct using the inverted scale for the negative item. Item '**PP1** – When I purchase a product, I always try to maximize the quality I get for the money I spend' had to be eliminated due to a low communality value. As in the previous model, the remaining items had communality values above 0.6, but the factorial weight of item PP3 was negative (PP3 was one of the negative items), originating a negative Cronbach's alpha value of -1.669.

Again we reinforce that this problem is related to the negative items issue, and thus we decided to perform the exploratory factor analysis using a non-inverted scale for the negative item.

In this second analysis, item **PP1** showed again a low communality value and had to be eliminated. Afterwards, one factor was extracted with a KMO value of 0.500, which is weak, and a total of variance explained of 73.534%. The Cronbach's alpha value for this factor improved (0.625) in comparison to the non-clients' model, although it still showed a weak, but acceptable, scale reliability.

Table 18 – Value consciousness exploratory factor analysis for the clients' model.

ITEMS		FACTOR(S)
		FACTOR 19
PP2	I generally shop for lower prices on products, but they still must meet certain quality requirements.	0.858
PP3	Considering my stand on the two previous statements, I believe in a normal setting I **would not** buy *Apple* products (unless I believe that product to have enough value to make my money worth).	0.858
	Total value	1.716
	Cumulative variance (%)	73.534
	Cronbach's alpha	0.625

- PRICE SENSITIVITY

As for the price sensitivity exploratory factor analysis, also one item '**PP6 –** Generally speaking, I *would not* buy *Apple* products, since I perceive them as too expensive and I believe I would find relatively similar products for a lower price' had to be removed due to a low communality value.

For the extracted factor, the KMO value of 0.500 demonstrated weak sample appropriateness, although the total of variance explained of 82.082% showed a high contribution of the used items in explaining the price sensitivity variance, and the Cronbach's alpha value of 0.781 showed a reasonable internal consistency of the scale.

Table 19 – Price sensitivity exploratory factor analysis for the client's model.

ITEMS		FACTOR(S)
		FACTOR 20
PP4	Usually I am willing to do an extra effort to find lower prices, for example, visit several stores until I find the one with the lowest price.	0.906
PP5	I believe the money saved by finding low prices is worth the time and effort needed to find them.	0.906
	Total value	1.812
	Cumulative variance (%)	82.082
	Cronbach's alpha	0.781

† PRICE AS QUALITY INDICATOR

In the price as quality indicator exploratory factor analysis, the KMO value obtained was 0.669, showing a reasonable appropriateness of the sample to the used items. In turn, the Cronbach's alpha value was good and the total of variance explained was also reasonable (0.803 and 71.959%, respectively).

Table 20 – Price as quality indicator exploratory factor analysis for the clients' model.

	ITEMS	FACTOR(S)
		FACTOR 21
PP7	Usually, the higher the price of a product, the higher its quality.	0.775
PP8	I see the price of the *Apple* products as an indicator of their quality.	0.895
PP9	I am willing to pay more for *Apple* products, because I believe we have to pay more to obtain the best.	0.870
	Total value	2.54
	Cumulative variance (%)	71.959
	Cronbach's alpha	0.803

† PRESTIGE SENSITIVITY

Concerning the prestige sensitivity construct, both the KMO and total of variance explained values were considered average (0.736 and 73.148%, respectively). The Cronbach's alpha value, on the other hand, was good (0.876) demonstrating good scale reliability.

Table 21 – Prestige sensitivity exploratory factor analysis for the clients' model.

	ITEMS	FACTOR(S)
		FACTOR 22
PP10	Buying a high priced-brand, such as *Apple*, makes me feel good about myself.	0.825
PP11	I enjoy the prestige of buying a high-priced brand, like *Apple*.	0.883
PP12	I think others make judgments about me based on the kinds of brands I buy; therefore I have purchased high-priced brands just because I knew other people would notice.	0.830
PP13	Generally, I would buy *Apple* products because I believe it would influence the perception of others about me and it would give me some social prestige.	0.881
	Total value	3.419
	Cumulative variance (%)	73.148
	Cronbach's alpha	0.876

BRAND TRUST

Through the brand trust exploratory factor analysis, one factor was extracted, showing a very good sample appropriateness to the variable (KMO = 0.920) and a reasonable total of variance explained (66.828%). The Cronbach's alpha value of 0.949 demonstrates excellent scale reliability.

Table 22 – Brand trust exploratory factor analysis for the clients' model.

	ITEMS	FACTOR(S)
		FACTOR 23
BT1	*Apple* products are very reliable.	0.585
BT2	*Apple* products never fall short of my expectations.	0.634
BT3	I believe I will always be satisfied with *Apple* products.	0.689
BT4	I know what to expect from this brand.	0.524
BT5	I feel *Apple* has high integrity (can be counted on to do what is right).	0.766
BT6	*Apple* is a responsible brand that acts with good intentions.	0.707
BT7	I believe the information transmitted by *Apple* about its products is accurate.	0.708
BT8	I consider *Apple* an honest and true organization.	0.766
BT9	I think *Apple* is genuinely committed in satisfying its clients.	0.703
BT10	*Apple* cares and listens to its clients.	0.611
BT11	I believe this brand will do its best to solve a problem I might have.	0.659
	Total value	7.352
	Cumulative variance (%)	66.828
	Cronbach's alpha	0.949

BRAND SATISFACTION

In what concerns the brand satisfaction construct, one item had to be eliminated due to a very low communality value. Item '**BS3** – I am addicted to this brand in some way' was dropped, leaving a KMO coefficient of 0.741, demonstrating average sampling adequacy. One factor was extracted, in agreement with the referred dimension in the literature – *cumulative or overall satisfaction*. The Cronbach's alpha value of 0.910 is very good, and this construct presents the highest total of variance explained (85.331%), proving the used items have a large contribute in explaining the brand satisfaction variance.

Table 23 – Brand satisfaction exploratory factor analysis.

	ITEMS	FACTOR(S)
		FACTOR 24
BS1	*Apple* products are very reliable.	0.899
BS2	*Apple* products never fall short of my expectations.	0.930
BS4	I believe I will always be satisfied with *Apple* products.	0.942
	Total value	2.771
	Variance (%)	85.331
	Cumulative variance (%)	85.331
	Cronbach's alpha	0.910

BRAND COMMITMENT

For the brand commitment construct, one factor was extracted, although also one item had to be removed due to a very low communality value – item '**BC6** – I give feedback regularly about my evaluations and opinions on the products'.

The factor extracted is related to the *affective commitment* dimension referred in the literature. The KMO value of 0.887 shows good sampling adequacy, and the total of variance explained is 69.603%. The Cronbach's alpha value of 0.908 shows great internal scale consistency.

Table 24 – Brand commitment exploratory factor analysis.

	ITEMS	FACTOR(S)
		FACTOR 25
BC1	I feel a strong sense of belonging toward *Apple*.	0.892
BC2	This brand has a great deal of personal meaning for me.	0.881
BC3	I am proud to be an *Apple* client.	0.896
BC4	I am willing to make efforts to protect my relationship with this brand.	0.873
BC5	It would be very hard for me to switch away from this brand at this point.	0.730
BC7	If *Apple* was a person, I would like to have her as a friend.	0.713
	Total value	4.985
	Variance (%)	69.603
	Cumulative variance (%)	69.603
	Cronbach's alpha	0.908

BRAND LOYALTY

The exploratory factor analysis of the brand loyalty construct identified two factors, as previously referred in the literature – ***attitudinal loyalty*** (factor 26) and ***behavioral loyalty*** (factor 27). The first refers to the consumers' desire and intention of maintaining the relationship with the brand , while the second measures the number of times a consumer buys the same brand in a given category, compared with the total of purchases made in that same category.

The KMO value obtained was 0.891, considered good, and the total of variance explained was 74.122%. The Cronbach's alpha values for the two factors were 0.941 and 0.722, respectively, varying from reasonable to very good.

Table 25 – Brand loyalty exploratory factor analysis.

	ITEMS	FACTOR(S)	
		FACTOR 26	FACTOR 27
BL1	I consider *Apple* products as my first choice in this product category (music players, computers, smartphones, and tablets).	0.868	
BL2	The next time I need to buy some of these products, I intend to buy this brand.	0.868	
BL3	Even if close friends recommended another brand, my preference would not change.	0.842	
BL4	I am willing to pay a premium price over competing products, in order to obtain *Apple* products.	0.834	
BL5	Commercials regarding competing brands are not able to reduce my interest in buying *Apple* products.	0.844	
BL6	I consider myself loyal to *Apple*.	0.870	
BL7	I say positive things about this brand.	0.740	
BL8	I recommend *Apple* products to someone who seeks my advice.	0.826	
BL9	Please estimate how many times during the last three years you bought this type of products (music players, computers, smartphones, and tablets).		0.927
BL10	From the total of products bought, how many were from *Apple*?		0.843
	Total value	6.692	1.77
	Variance (%)	57.322	16.800
	Cumulative variance (%)	57.322	74.122
	Cronbach's alpha	0.941	0.722

5.3.5 MULTI-COLLINEARITY ANALYSIS

The Pearson Correlation analysis tests if any of the variables identified on the exploratory factor analysis correlate above some level with one another. The values of the Pearson coefficients vary between -1 and 1, and the higher the coefficients, the stronger the correlations between variables. If the coefficient value exceeds 0.750 the variables are highly correlated. However, we should not use solely the Pearson Correlation to examine the correlations; we will also use the Variance Inflation Factor (VIF) analysis to measure how much the variance of the estimated coefficients is increased over the case of no correlation among the independent variables. If the independent variables are not correlated, then the VIF will assume the value 1. On the other hand, if they are correlated the VIF values will be higher. Some authors, such as O'brien (2007), defend the use of rules of thumb – most commonly the rule of 10, which suggests that only VIF values superior to 10 indicate serious multi-collinearity.

High correlations between variables and high VIF scores mean the coefficients in the regression analysis will not be estimated with high precision, motivating the multi-collinearity diagnosis before testing the hypotheses.

For the non-clients' model, all the 12 factors found had a Pearson coefficient under the 0.750 boundary, as well as a VIF value inferior to the 10 criteria (see Table 26), and thus there is no evidence of severe multi-collinearity between those factors.

In the clients' model, based on the Pearson Correlation analysis, there appears to be two cases of highly correlated variables, since they surpass the 0.750 recommended value: (1) correlation between brand trust and brand satisfaction; (2) correlation between brand commitment and attitudinal loyalty (see Table 27). Nevertheless, we should not consider only the Pearson Correlation analysis when ascertaining about collinearity – we should also use another complementary analysis, such as VIF Analysis. In the latter, the VIF scores for brand trust, brand satisfaction, brand commitment, and attitudinal loyalty are 4.504, 4.329, 4.018, and 4.156, respectively. All these values are below the 10 criteria, so we conclude there is no case of severe multi-collinearity among variables, and therefore no effect on the regression analysis (Sahin et al., 2011).

Table 26 – Multi-collinearity analysis for the non-clients' model.

FACTORS	1	2	3	4	5	6	7	8	9	10	11	12	VIF
1	1												1.644
2	0.000	1											1.385
3	0.155*	0.057	1										2.473
4	0.322**	0.437**	0.000	1									2.223
5	0.466**	-0.052	0.000	0.000	1								1.574
6	0.133*	0.136*	0.000	0.000	0.000	1							1.417
7	-0.029	-0.167*	-0.058	-0.262**	0.148*	0.050	1						1.505
8	0.016	-0.101	0.014	-0.135*	0.108	0.060	0.502**	1					1.364
9	0.252**	0.282**	0.381**	0.437**	0.127	0.144*	-0.101	-0.074	1				1.780
10	0.241**	0.319**	0.118	0.362**	0.080	0.452**	-0.217**	-0.129*	0.418**	1			1.734
11	0.236**	0.192**	0.467**	0.229**	0.209**	0.048	-0.078	-0.020	0.342**	0.170**	1		1.983
12	0.229**	0.099	0.485**	0.314**	0.109	0.086	-0.145*	0.000	0.450**	0.258**	0.000	1	2.184

1 – Sensory/affective (BE)
2 – Behavioral (BE)
3 – Functional value (BPV)
4 – Emotional value & price/value for money & play value (BPV)
5 – Emotional & aesthetic value (BPV)
6 – Social value (BPV)
7 – Value consciousness (PP)
8 – Price sensitivity (PP)
9 – Price as quality indicator (PP)
10 – Prestige sensitivity (PP)
11 – Integrity & honesty & altruism (BT)
12 – Reliability (BT)

** Correlation is significant for p-value < 0.01

* Correlation is significant for p-value < 0.05

Table 27 – Multi-collinearity analysis for the clients' model.

FACTORS	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	VIF
13	1															2.166
14	0.000	1														1.493
15	0.000	0.000	1													1.067
16	0.564**	0.278**	-0.027	1												3.035
17	0.230**	0.068	-0.043	0.000	1											3.822
18	0.241**	0.222**	0.105	0.000	0.000	1										1.834
19	-0.236**	-0.094	0.002	-0.091	-0.411**	-0.050	1									1.491
20	-0.067	0.066	-0.016	0.014	-0.228**	0.004	0.413**	1								1.312
21	0.267**	0.176**	0.003	0.310**	0.383**	0.251**	-0.229**	-0.105	1							1.670
22	0.127*	0.156*	0.116	0.070	0.030	0.537**	-0.058	0.027	0.307**	1						1.554
23	0.450**	0.202**	0.012	0.474**	0.669**	0.069	-0.310**	-0.187**	0.503**	0.147*	1					4.504
24	0.489**	0.184**	-0.012	0.463**	0.688**	0.069	-0.344**	-0.148*	0.339**	0.079	0.803**	1				4.329
25	0.508**	0.363**	0.102	0.453**	0.456**	0.352**	-0.311**	-0.179**	0.457**	0.334**	0.694**	0.623**	1			4.018
26	0.522*	0.256**	-0.027	0.448**	0.591**	0.211**	-0.403**	-0.266**	0.430**	0.167**	0.713**	0.722**	0.793**	1		4.156
27	-0.072	0.252**	0.091	0.022	0.030	0.060	-0.147*	-0.104	0.020	0.039	-0.035	0.017	0.070	0.000	1	1.157

13 – Sensory/affective (BE)	16 – Emotional & play & aesthetic value (BPV)	19 – Value consciousness (PP)	22 – Prestige sensitivity (PP)	25 – Brand commitment
14 – Behavioral (BE)	17 – Functional value (BPV)	20 – Price sensitivity (PP)	23 – Brand trust	26 – Attitudinal loyalty (BL)
15 – Intellectual (BE)	18 – Social value (BPV)	21 – Price as quality indicator (PP)	24 – Brand satisfaction	27 – Behavioral loyalty (BL)

** Correlation is significant for p-value < 0.01

* Correlation is significant for p-value < 0.05

5.3.6 TESTS OF HYPOTHESES – PARTIAL EFFECTS MODEL

The regression analysis measures the impact of each factor of the independent construct on each factor of the dependent construct, so that we may test the hypotheses presented on the conceptual model. The variables used in this analysis are the factors extracted on the previous exploratory factor analysis.

The β values vary between 0 and 1, showing the intensity of the relationship (higher the closer to 1). R Square values vary in the same scale and determine the contribution of the group of independent variables to explain the dependent ones. The t statistic provide information on the contribute of an individual independent variable to explain the relationship with the dependent variable. The p-value may assume values below 1%, 5% or 10%, for a confidence interval of 99%, 95% or 90%, respectively. In the present study is used the confidence interval of 95%.

TESTS OF HYPOTHESES REGARDING THE NON-CLIENTS' MODEL

REGRESSION ANALYSIS OF BRAND PERCEIVED VALUE ANTECEDENTS

The brand perceived value construct is composed of four factors, here represented as dependent variables, affected by the two variables related to the brand experience construct.

In what concerns the functional value, the regression analysis shows that the effect of one of the variables of brand experience is significant – sensory/affective (β = 0.155, $p < 0.05$); while the other is not – behavioral (β = 0.057, $p > 0.05$); thus for the functional value analysis, $H_{1A}^{(+)}$ is only partially confirmed. The R^2 value for the effects of brand experience on functional value is 2.7%, which shows that this group of independent variables has an almost insignificant contribute to the explanation of the dependent variable functional value.

In the emotional value & price/value for money & play value analysis, both brand experience variables demonstrate a positive and significant impact on the dependent variable ($p < 0.05$), as formulated in $H_{1A}^{(+)}$.The R^2 value is 29.5%, showing an improvement of the contribute of the two brand experience independent variables in explaining the brand perceived value dependent variable.

Table 28 – Regression analysis of brand perceived value antecedents for the non-clients' model.

CONSTRUCT		Brand perceived value											
	FACTOR(S)	Functional value			Emotional value & Price/value for money & Play value			Emotional & Aesthetic value			Social value		
		β	t	p-value	β	t	p-value	β	t	p-value	β	t	p-value
Brand experience	Sensory/ affective	0.155	2.386	0.018	0.322	5.826	0.000	0.466	8.017	0.000	0.133	2.061	0.040
	Behavioral	0.057	0.880	0.380	0.437	7.913	0.000	-0.052	-0.887	0.376	0.136	2.106	0.036
R SQUARE		0.027			0.295			0.220			0.036		
ADJUSTED R SQUARE		0.019			0.289			0.213			0.028		
F		3.232			48.282			32.528			4.341		

Regarding the emotional & aesthetic value, again only the sensory/affective variable is significant ($\beta = 0.466$, $p < 0.05$), partially confirming hypothesis $H_{1A}^{(+)}$. The R^2 is 22%.

In what concerns the social value, both variables of brand experience are positive and significant, thus validating $H_{1A}^{(+)}$, although their contribute to explain social value is very small ($R^2 = 3.6\%$). Of the two, the behavioral variable is the one with the highest impact on social value ($\beta_{sensory/affective} = 0.133$; $\beta_{behavioral} = 0.136$).

In conclusion, $H_{1A}^{(+)}$ is only partially confirmed.

REGRESSION ANALYSIS OF PRICE PERCEPTIONS ANTECEDENTS

- VALUE CONSCIOUSNESS

The regression analysis of value consciousness antecedents presents a R^2 of 2.9%, which is the variance of value consciousness that can be explained by the combination of the two brand experience variables. In this case, only the behavioral variable has a negative and significant impact on value consciousness (β = -0.167, $p < 0.05$). Therefore $H_{1B}^{(-)}$ is only partially confirmed, since the sensory/affective variable is not significant.

Table 29 – Regression analysis of value consciousness antecedents for the non-clients' model.

CONSTRUCT	Value consciousness (price perceptions)			
	FACTOR(S)	Value consciousness		
		β	t	p-value
Brand experience	Sensory/ affective	-0.029	-0.445	0.657
	Behavioral	-0.167	-2.571	0.011
	R SQUARE	0.029		
	ADJUSTED R SQUARE	0.020		
	F	3.404		

- PRICE SENSITIVITY

The results obtained for the price sensitivity regression analysis show that the two brand experience variables – sensory/affective (β = -0.016, $p > 0.05$) and behavioral (β = -0.101, $p > 0.05$) – do not have a significant influence on price sensitivity, thus rejecting $H_{1C}^{(-)}$. The R^2 value of only 1% shows the little contribute of the combination of sensory/affective and behavioral in explaining the price sensitivity variance.

Table 30 – Regression analysis of price sensitivity antecedents for the non-clients' model.

CONSTRUCT	Price sensitivity (price perceptions)			
	FACTOR(S)	Price sensitivity		
		β	t	p-value
Brand experience	Sensory/ affective	0.016	0.252	0.802
	Behavioral	-0.101	-1.536	0.126
	R SQUARE	0.010		
	ADJUSTED R SQUARE	0.002		
	F	1.211		

† PRICE AS QUALITY INDICATOR

For the price as quality indicator regression analysis, the R^2 value obtained was 14.3%, showing the percentage of contribution of the set of independent variables in explaining the price as quality indicator variable. $H_{1D}^{(+)}$ is confirmed, since both independent variables have a statistically significant impact on price as quality indicator (p > 0.5), being the behavioral variable the one with the highest influence (β = 0.282).

Table 31 – Regression analysis of price as quality indicator antecedents for the non-clients' model.

CONSTRUCT	Price as quality indicator (price perceptions)			
	FACTOR(S)	Price-quality relationship		
		β	t	p-value
Brand experience	Sensory/ affective	0.252	4.137	0.000
	Behavioral	0.282	4.627	0.000
	R SQUARE	0.143		
	ADJUSTED R SQUARE	0.136		
	F	19.265		

† PRESTIGE SENSITIVITY

In the prestige sensitivity regression analysis, the R^2 obtained showed a contribution of 16% of the brand experience variables to explain prestige sensitivity. The results demonstrate that sensory/affective ($\beta = 0.241$, $p < 0.05$) and behavioral ($\beta = 0.319$, $p < 0.05$) both have a positive and significant influence on prestige sensitivity, thereby corroborating $H_{1E}^{(+)}$.

Table 32 – Regression analysis of prestige sensitivity antecedents for the non-clients' model.

CONSTRUCT	Prestige sensitivity (price perceptions)			
	FACTOR(S)	Prestige sensitivity		
		β	t	p-value
Brand experience	Sensory/ affective	0.241	3.992	0.000
	Behavioral	0.319	5.288	0.000
	R SQUARE	0.160		
	ADJUSTED R SQUARE	0.152		
	F	21.948		

REGRESSION ANALYSIS OF BRAND TRUST ANTECEDENTS

In the conceptual model, we proposed that brand trust was influence by brand perceived value ($H_{2A}^{(+)}$), and by the four dimensions of price perceptions – value consciousness ($H_{3A}^{(-)}$), price sensitivity ($H_{3C}^{(-)}$), price as quality indicator ($H_{3E}^{(+)}$), and prestige sensitivity ($H_{3G}^{(+)}$). However, brand trust itself is composed of two variables – integrity & honesty & altruism, and reliability.

For the integrity & honesty & altruism regression analysis, regarding the brand perceived value, three factors have a significant influence – functional value ($\beta = 0.448$, $p < 0.05$); emotional value & price/value for money & play value ($\beta = 0.208$, $p < 0.05$); and emotional & aesthetic value ($\beta = 0.209$, $p < 0.05$). One factor does not have a statistically significant impact – social value ($\beta = 0.056$, $p > 0.05$), thereby partially validating $H_{2A}^{(+)}$. In what concerns the price perceptions dimensions (value consciousness, price sensitivity, price as quality indicator, and prestige sensitivity) all showed a statistically insignificant impact on the dependent variable, thus rejecting hypotheses $H_{3A}^{(-)}$, $H_{3C}^{(-)}$, $H_{3E}^{(+)}$, and $H_{3G}^{(+)}$. The R^2 value obtained was 31.9%.

Concerning the effects of the brand perceived value variables on reliability, only the variables functional value ($\beta = 0.414$, $p < 0.05$) and emotional value & price/value for money & play value ($\beta = 0.221$, $p < 0.05$) present a positive and significant influence, thereby only partially confirming $H_{2A}^{(+)}$. For the price perceptions, the results show that only price as quality indicator has a positive and significant influence on reliability ($\beta = 0.017$, $p < 0.05$), thus confirming $H_{3E}^{(+)}$ and rejecting the other price perceptions related hypotheses. The R^2 value of 37.7% shows the variance of the reliability variable that can be predicted by the combination of all the independent variables used.

In short, $H_{2A}^{(+)}$ is partially confirmed, since only some of the brand perceived value variables have a significant impact on the two brand trust variables. Regarding the impact of the price perceptions variables, $H_{3A}^{(-)}$, $H_{3C}^{(-)}$, and $H_{3G}^{(+)}$ are rejected; and $H_{3E}^{(+)}$ is only partially confirmed for the reliability variable.

Table 33 – Regression analysis of brand trust antecedents for the non-clients' model.

CONSTRUCT		Brand trust					
	FACTOR(S)	Integrity & Honesty & Altruism			Reliability		
		β	t	p-value	β	t	p-value
Brand perceived value	Functional value	0.448	7.294	0.000	0.414	7.060	0.000
	Emotional value & Price/value for money & Play value	0.208	3.116	0.002	0.221	3.465	0.001
	Emotional & Aesthetic value	0.209	3.688	0.000	0.093	1.715	0.088
	Social value	0.056	0.869	0.386	0.056	0.914	0.362
Price perceptions	Value consciousness	-0.027	-0.399	0.691	-0.096	-1.498	0.135
	Price sensitivity	-0.011	-0.169	0.866	0.073	1.188	0.236
	Price as quality indicator	0.055	0.775	0.439	0.164	2.401	0.017
	Prestige sensitivity	-0.031	-0.425	0.671	0.016	0.235	0.814
	R SQUARE		0.319			0.377	
	ADJUSTED R SQUARE		0.295			0.355	
	F		13.166			17.033	

TESTS OF HYPOTHESES REGARDING THE CLIENTS' MODEL

REGRESSION ANALYSIS OF BRAND PERCEIVED VALUE ANTECEDENTS

Regarding the clients' model, the brand perceived value construct presents three factors, and the brand experience construct is also composed of three factors, representing the dependent and independent variables.

Table 34 – Regression analysis of brand perceived value antecedents for the clients' model.

CONSTRUCT		Brand perceived value								
	FACTOR(S)	Emotional & Play & Aesthetic value			Functional value			Social value		
		β	t	p-value	β	t	p-value	β	t	p-value
Brand experience	Sensory/ affective	0.564	11.625	0.000	0.230	3.801	0.000	0.241	4.106	0.000
	Behavioral	0.278	5.732	0.000	0.068	1.120	0.264	0.222	3.792	0.000
	Intellectual	-0.027	-0.565	0.573	-0.043	-0.717	0.474	0.105	1.791	0.075
R SQUARE		0.397			0.060			0.119		
ADJUSTED R SQUARE		0.390			0.049			0.108		
F		56.107			5.406			11.480		

For the emotional & play & aesthetic value, the regression analysis shows that the sensory/affective (β = 0.564, $p < 0.05$) and behavioral (β = 0.278, $p < 0.05$) variables have a positive and significant impact on the referred brand perceived value variable. On the other hand, the intellectual variable is not statistically significant, thus for the emotional & play & aesthetic value analysis $H_{1A}^{(+)}$ is only partially confirmed. The R^2 value is 39.7%, showing that the brand experience variables contribute 39.7% to the explanation of the dependent variable.

In the functional value analysis, two of the brand experience variables prove to be statistically insignificant, since their p-value is higher than 0.05. The only variable that has a positive and significant impact on functional value is the sensory/affective variable (β = 0.230, $p < 0.05$), thereby only partially confirming $H_{1A}^{(+)}$. The R^2 value is only 6%, showing a very small contribution

of the brand experience independent variables in explaining the brand perceived value dependent variable.

Regarding the social value, again the intellectual variable is not statistically significant. In turn, the sensory/affective and behavioral variables have a positive and significant influence on social value (β = 0.241, p = 0.000; β = 0.222, p = 0.000, respectively). The variance of social value that can be explained by the combination of the brand experience variables is 11.9%.

Summarizing, for the client's model $H_{1A}^{(+)}$ is only partially confirmed.

REGRESSION ANALYSIS OF PRICE PERCEPTIONS ANTECEDENTS

- VALUE CONSCIOUSNESS

Regarding the regression analysis of value consciousness antecedents, the R^2 value is 6.5%, which is the variance of value consciousness that can be explained by the combination of the three brand experience variables. In this case, only the sensory/affective variable has a negative and significant impact on value consciousness (β = -0.236, p < 0.05), thus only partially confirming $H_{1B}^{(-)}$ since the behavioral and intellectual variables are not significant.

Table 35 – Regression analysis of value consciousness antecedents for the client's model.

CONSTRUCT	Value consciousness (price perceptions)			
	FACTOR(S)	Value consciousness		
		β	**t**	**p-value**
Brand experience	Sensory/ affective	-0.236	-3.911	0.000
	Behavioral	-0.094	-1.557	0.121
	Intellectual	0.002	0.027	0.979
	R SQUARE		0.065	
	ADJUSTED R SQUARE		0.054	
	F		5.906	

- PRICE SENSITIVITY

As for the price sensitivity regression analysis, the results show that none of the brand experience variables – sensory/affective (β = -0.067, p > 0.05), behavioral (β = 0.066, p > 0.05), and intellectual (β = -0.016, p > 0.05) – have a significant influence on price sensitivity, thus rejecting $H_{1C}^{(-)}$. The R^2 value of merely 0.9% shows the almost inexistent contribution of the combination of the brand experience variables in explaining the price sensitivity variance.

Table 36 – Regression analysis of price sensitivity antecedents for the client's model.

CONSTRUCT	Price sensitivity (price perceptions)			
	FACTOR(S)	Price sensitivity		
		β	t	p-value
Brand experience	Sensory/ affective	-0.067	-1.085	0.279
	Behavioral	0.066	1.069	0.286
	Intellectual	-0.016	-0.256	0.798
	R SQUARE		0.009	
	ADJUSTED R SQUARE		-0.002	
	F		0.795	

† PRICE AS QUALITY INDICATOR

The results of the price as quality indicator regression analysis present a R^2 value of 10.3%, showing the percentage of contribution of the set of independent variables in explaining the price as quality indicator variable. $H_{1D}^{(+)}$ is partially confirmed, since only two of the three independent variables have a statistically significant impact on price as quality indicator. The sensory/affective variable is the one with the most intense effect on the dependent variable (β = 0.267), followed by the behavioral variable (β = 0.176); the effect of the intellectual variable is not significant.

Table 37 – Regression analysis of price as quality indicator antecedents for the client's model.

CONSTRUCT	Price as quality indicator (price perceptions)			
	FACTOR(S)	Price-quality relationship		
		β	t	p-value
Brand experience	Sensory/ affective	0.267	4.514	0.000
	Behavioral	0.176	2.979	0.003
	Intellectual	0.003	0.053	0.958
	R SQUARE		0.103	
	ADJUSTED R SQUARE		0.092	
	F		9.749	

† PRESTIGE SENSITIVITY

Concerning the prestige sensitivity regression analysis, the R^2 value obtained showed a contribution of 5.4% of the brand experience variables to explain prestige sensitivity. The intellectual variable presents a p-value of 0.057, which is just barely above the 0.05 boundary, and therefore will be considered (see [1]). Thereby results demonstrate that all the brand experience independent variables have a positive and significant influence on prestige sensitivity, thus corroborating $H_{1E}^{(+)}$.

Table 38 – Regression analysis of prestige sensitivity antecedents for the client's model.

CONSTRUCT	Prestige sensitivity (price perceptions)			
	FACTOR(S)	Prestige sensitivity		
		β	t	p-value
Brand experience	Sensory/ affective	0.127	2.082	0.038
	Behavioral	0.156	2.574	0.011
	Intellectual	0.116	1.910	**0.057** [1]
	R SQUARE		0.054	
	ADJUSTED R SQUARE		0.043	
	F		4.870	

[1] The significance value may assume one of the three forms – $p < 0.01$, $p < 0.05$, $p < 0.1$ – depending on the Confidence Interval used – 99%, 95%, 90%, respectively. Although we are using the 95% C.I., since the p-value for the intellectual variable is just barely above the mark, we will consider that variable as significant, for a significance of 10%.

REGRESSION ANALYSIS OF BRAND TRUST ANTECEDENTS

In the clients' model, brand trust is composed of only one factor, contrary to the two found on the non-clients' model. We analyzed the effects of the three variables of brand perceived value and the four dimensions of price perceptions on brand trust.

In what concerns to the brand perceived value effect on brand trust, the variables emotional & play & aesthetic value and functional value both proved to be positive and significant, while the variable social value presented a p-value higher than 0.05 and therefore is not significant. Thus, hypothesis $H_{2A}^{(+)}$ is only partially confirmed.

Regarding the impact of price perceptions on brand trust, the results showed that value consciousness, price sensitivity and prestige sensitivity do not have a statistically significant effect on brand trust, thereby rejecting hypotheses $H_{3A}^{(-)}$, $H_{3C}^{(-)}$ and $H_{3G}^{(+)}$. Of all the price perceptions dimensions, only price as quality indicator proved to have a positive and significant influence on brand trust, as formulated in hypothesis $H_{3E}^{(+)}$. The R^2 value of 69.2% shows the variance of brand trust that can be predicted by the combination of all the independent variables used.

Table 39 – Regression analysis of brand trust antecedents for the clients' model.

CONSTRUCT		Brand trust		
	FACTOR(S)	Brand trust		
		β	t	p-value
Brand perceived value	Emotional & play & aesthetic value	0.441	11.771	0.000
	Functional value	0.631	15.199	0.000
	Social value	0.010	0.246	0.806
Price perceptions	Value consciousness	0.041	1.000	0.318
	Price sensitivity	-0.057	-1.476	0.141
	Price as quality indicator	0.106	2.469	0.014
	Prestige sensitivity	0.064	1.495	0.136
	R SQUARE	0.692		
	ADJUSTED R SQUARE	0.683		
	F	80.888		

REGRESSION ANALYSIS OF BRAND SATISFACTION ANTECEDENTS

For the satisfaction regression analysis, the R^2 value obtained was 69.3%, showing a relatively high contribution of the brand perceived value variables in explaining brand satisfaction. All three variables were positive and significant, thereby confirming $H_{2B}^{(+)}$. The results prove that functional value has the highest impact on brand trust (β = 0.688), followed by emotional & play & aesthetic value (β = 0.463), and social value (β = 0.069).

Table 40 – Regression analysis of brand satisfaction antecedents for the clients' model.

CONSTRUCT		Brand satisfaction		
	FACTOR(S)	Brand satisfaction		
		β	t	p-value
Brand perceived value	Emotional & play & aesthetic value	0.463	13.378	0.000
	Functional value	0.688	19.868	0.000
	Social value	0.069	2.000	0.047
	R SQUARE		0.693	
	ADJUSTED R SQUARE		0.689	
	F		192.574	

REGRESSION ANALYSIS OF BRAND COMMITMENT ANTECEDENTS

For the brand commitment regression analysis, the effects of the three brand perceived value variables, the four dimensions of price perceptions, as well as brand trust and brand satisfaction were analyzed. The regression analysis of the effects of the previously mentioned variables on brand commitment showed a R^2 of 62.4%.

The impact of brand perceived value on brand commitment ($H_{2C}^{(+)}$) is only partially verified, as the functional value does not have a statistically significant influence ($p > 0.05$). The other two variables – emotional & play & aesthetic value, and social value – are positive and significant (β = 0.202; β = 0.252, respectively).

In regard to the price perceptions dimensions, only prestige sensitivity demonstrates a significant positive influence on brand commitment (β = 0.109, $p < 0.05$). The other three dimensions (value

consciousness, price sensitivity, and price as quality indicator) present p-values superior to 0.1, thereby, $H_{3H}^{(+)}$ is validated while $H_{3B}^{(-)}$, $H_{3D}^{(-)}$, and $H_{3F}^{(+)}$ are rejected.

The results also exhibit brand trust as the strongest driver for brand commitment, with a coefficient of 0.396, thus confirming $H_{4A}^{(+)}$.

Finally, $H_{5A}^{(+)}$ is rejected, since brand satisfaction does not have a statistically significant influence on brand commitment (p = 0.235).

Table 41 – Regression analysis of brand commitment antecedents for the clients' model.

CONSTRUCT		Brand commitment		
	FACTOR(S)	Brand commitment		
		β	t	p-value
Brand perceived value	Emotional & play & aesthetic value	0.202	3.525	0.001
	Functional value	0.077	1.044	0.297
	Social value	0.252	5.359	0.000
Price perceptions	Value consciousness	-0.060	-1.293	0.197
	Price sensitivity	-0.053	-1.242	0.215
	Price as quality indicator	0.015	0.307	0.759
	Prestige sensitivity	0.109	2.303	0.022
Brand trust	Brand trust	0.402	5.209	0.000
Brand satisfaction	Brand satisfaction	0.094	1.189	0.235
	R SQUARE	0.624		
	ADJUSTED R SQUARE	0.611		
	F	46.184		

REGRESSION ANALYSIS OF BRAND LOYALTY ANTECEDENTS

The brand loyalty construct is composed of two factors, for each one the effects of the independent variables brand trust, brand satisfaction and brand commitment were analyzed.

In what concerns attitudinal loyalty, the regression analysis shows that brand commitment (β = 0.536, p < 0.05) has the highest impact, followed by brand satisfaction (β = 0.323, p < 0.05). However, brand trust does not have a significant influence on attitudinal loyalty, since its p-value

is higher than 0.05, and thus $H_{4B}^{(+)}$ is rejected, while $H_{5B}^{(+)}$ and $H_6^{(+)}$ are confirmed. The R^2 value of 71.6% shows that the combination of these three independent variables has a high contribute to the explanation of the dependent variable attitudinal loyalty.

In the behavioral loyalty analysis some peculiarities must be referred. The brand trust variable is significant, however presents a negative coefficient, contradicting the positive effect proposed by $H_{4B}^{(+)}$, and therefore this hypothesis is only partially confirmed, with negative correlation. Brand satisfaction shows a p-value superior than the 0.05 limit, and thus is not statistically significant, rejecting $H_{5B}^{(+)}$. Finally, brand commitment presents a p-value of 0.052 – this value is just barely above the 0.05 boundary, and therefore will be considered (see [2]). So the hypothesis $H_6^{(+)}$ is confirmed.

Table 42 – Regression analysis of brand loyalty antecedents for the clients' model.

CONSTRUCT		Brand loyalty					
	FACTOR(S)	Attitudinal loyalty			Behavioral loyalty		
		β	t	p-value	β	t	p-value
Brand trust	Brand trust	0.081	1.324	0.187	-0.231	-2.029	0.043
Brand satisfaction	Brand satisfaction	0.323	5.724	0.000	0.098	0.930	0.353
Brand commitment	Brand commitment	0.536	11.447	0.000	0.170	1.952	**0.052** [2]
	R SQUARE		0.716			0.022	
	ADJUSTED R SQUARE		0.713			0.010	
	F		215.460			1.893	

In short, regarding the brand loyalty regression analysis, hypothesis $H_{4B}^{(+)}$ is partially confirmed, with a negative correlation, hypothesis $H_{5B}^{(+)}$ is also partially confirmed, and hypothesis $H_6^{(+)}$ is fully confirmed.

The hypotheses proposed on the conceptual model were not totally validated by the regression analysis. Table 43 exhibits the overview of the relationships between variables for the non-clients' and clients' models.

[2] The significance value may assume one of the three forms – $p < 0.01$, $p < 0.05$, $p < 0.1$ – depending on the Confidence Interval used – 99%, 95%, 90%, respectively. Although we are using the 95% C.I., since the p-value for brand commitment is just barely above the mark, we will consider that variable as significant, for a significance of 10%.

Table 43 – Hypotheses results overview for both non-clients' and clients' models.

HYPOTHESIS	NON-CLIENTS' MODEL	CLIENTS' MODEL
$H_{1A}^{(+)}$: Brand experience has a positive influence on brand perceived value.	Partially confirmed	Partially confirmed
$H_{1B}^{(-)}$: Brand experience has a negative influence on value consciousness.	Partially confirmed	Partially confirmed
$H_{1C}^{(-)}$: Brand experience has a negative influence on price sensitivity.	Rejected	Rejected
$H_{1D}^{(+)}$: Brand experience has a positive influence on price as quality indicator.	Confirmed	Partially confirmed
$H_{1E}^{(+)}$: Brand experience has a positive influence on prestige sensitivity.	Confirmed	Confirmed
$H_{2A}^{(+)}$: Brand perceived value has a positive influence on brand trust.	Partially confirmed	Partially confirmed
$H_{2B}^{(+)}$: Brand perceived value has a positive influence on brand satisfaction.		Confirmed
$H_{2C}^{(+)}$: Brand perceived value has a positive influence on brand commitment.		Partially confirmed
$H_{3A}^{(-)}$: Value consciousness has a negative influence on brand trust.	Rejected	Rejected
$H_{3B}^{(-)}$: Value consciousness has a negative influence on brand commitment.		Rejected
$H_{3C}^{(-)}$: Price sensitivity has a negative influence on brand trust.	Rejected	Rejected
$H_{3D}^{(-)}$: Price sensitivity has a negative influence on brand commitment.		Rejected
$H_{3E}^{(+)}$: Price as quality indicator has a positive influence on brand trust.	Partially confirmed	Confirmed
$H_{3F}^{(+)}$: Price as quality indicator has a positive influence on brand commitment.		Rejected
$H_{3G}^{(+)}$: Prestige sensitivity has a positive influence on brand trust.	Rejected	Rejected
$H_{3H}^{(+)}$: Prestige sensitivity has a positive influence on brand commitment.		Confirmed
$H_{4A}^{(+)}$: Brand trust has a positive influence on brand commitment.		Confirmed
$H_{4B}^{(+)}$: Brand trust has a positive influence on brand loyalty.		Partially confirmed, with negative correlation

HYPOTHESIS	NON-CLIENTS' MODEL	CLIENTS' MODEL
$H_{5A}^{(+)}$: Brand satisfaction has a positive influence on brand commitment.		Rejected
$H_{5B}^{(+)}$: Brand satisfaction has a positive influence on brand loyalty.		Partially confirmed
$H_{6}^{(+)}$: Brand commitment has a positive influence on brand loyalty.		Confirmed

From the exploratory factor analyses performed, factors emerged for each construct, and therefore the conceptual models initially proposed suffered some alterations. According to the identified factors and the relationships found between them through the regression analyses, two models are presented next, one regarding the non-clients' case (Figure 5), and the other for the *Apple* clients' case (Figure 6). All the relationships between variables will be further discussed and explained in Chapter VI – Conclusions.

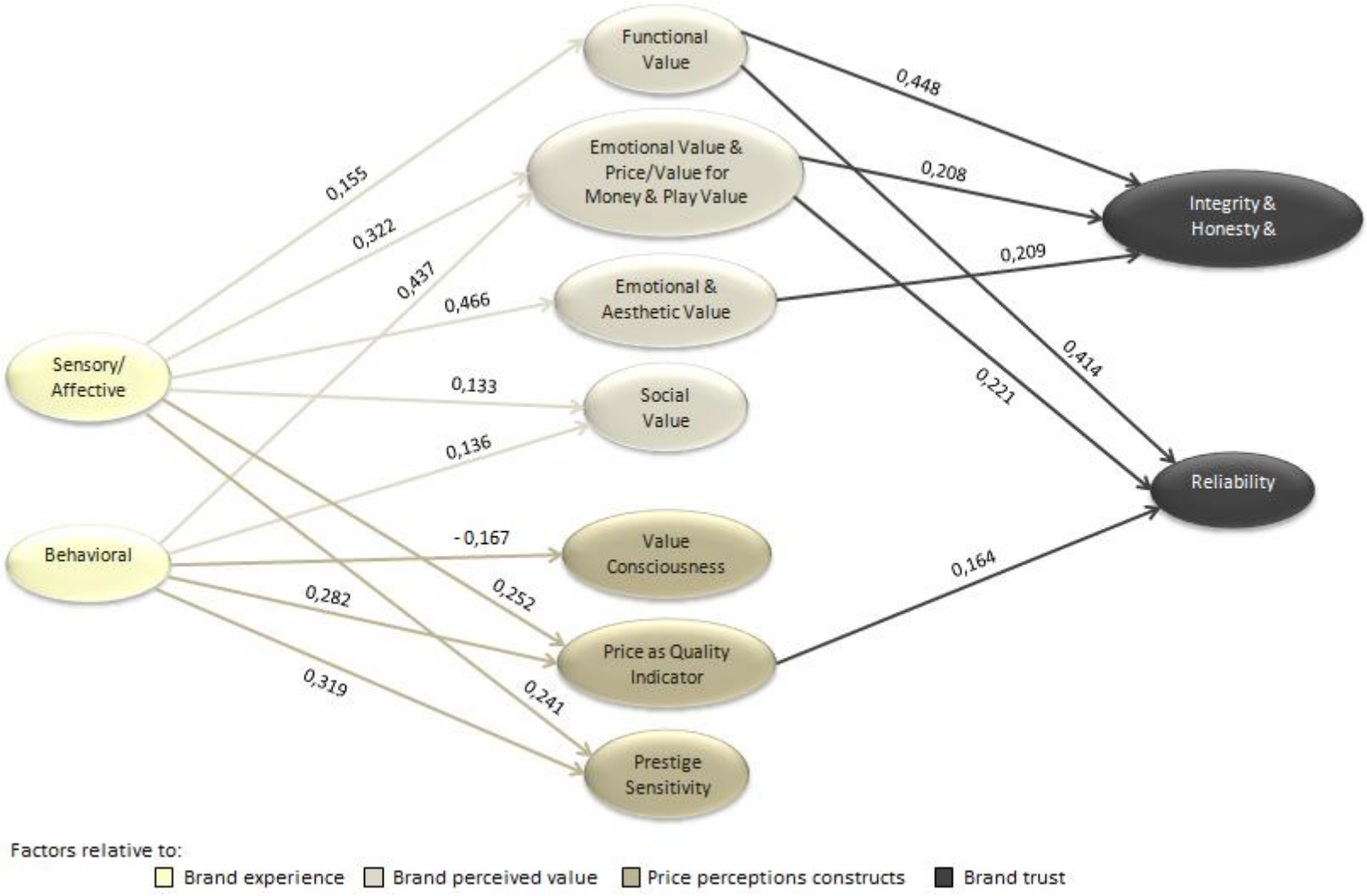

Figure 5 – Relationships coefficients for the non-clients' model.

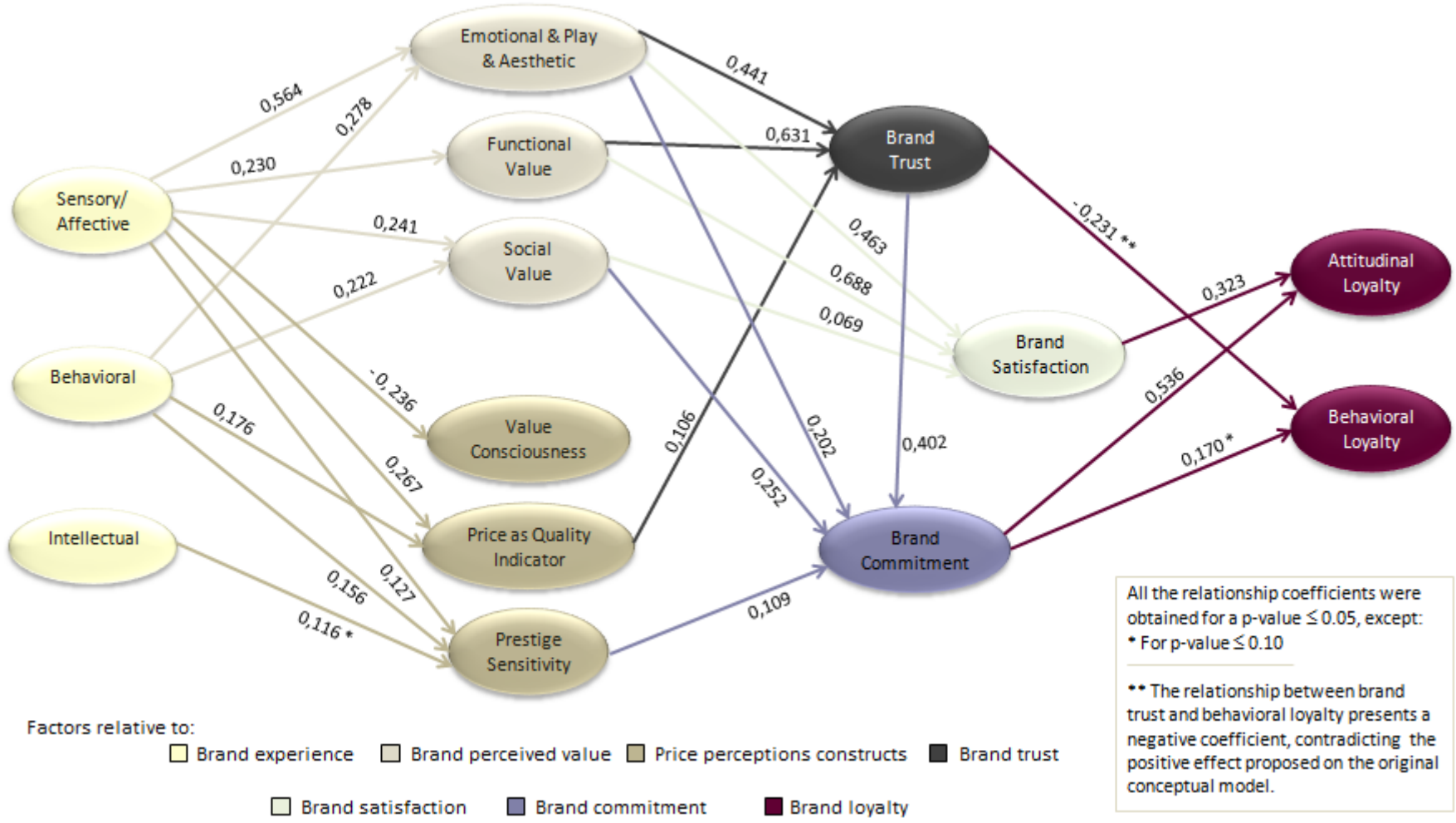

Figure 6 – Relationships coefficients for the clients' model.

5.3.7 TESTS OF LOYALTY LEVEL DIFFERENCES AMONG PRODUCT CATEGORIES

The ANOVA is a statistical analysis that allows testing if there are any statistically significant differences between the means of different groups.

A variance analysis was performed in order to verify the differences among four *Apple* product categories (*iPod*, *iPhone*, *iPad*, and *Mac*), regarding the level of attitudinal and behavioral loyalty of the inquired clients. Appendix B shows the outputs obtained, relative to the ANOVA and Scheffé test.

Through the Scheffé test we can conclude there are differences between the means of all the product categories, using a significance level of 5%. The 'Descriptives' table shows that for attitudinal loyalty, *Mac* is the category with the highest mean (5.06) and *iPod* the one with the lowest (4.07); while for behavioral loyalty, *iPad* is the category with the highest mean (3.33) and *iPod* remains the one with the lowest (2.48).

The multiple comparisons of the Scheffé test show there is a significant difference between the means of *Mac* and *iPod*, regarding attitudinal loyalty. These findings prove that *Apple* clients have a higher intention of continuing the relationship with the brand, and not change for another, in the computers category (*Mac*) than in the music player category (*iPod*).

Although the rest of the differences between means are not statistically significant, we can state that, regarding clients' attitudinal loyalty, *Mac* is the category with the highest value, followed by *iPhone*, *iPad*, and lastly *iPod* is the one with the lowest value. However, the results also show the inquired clients present greater behavioral loyalty toward the *iPad* and *iPhone* categories, than the *Mac* and *iPod* categories.

The big difference between the *Mac* and *iPod* means, for attitudinal loyalty, supports the common notion that clients who possess an *Apple* computer are much more connected and have a stronger relational bond with the brand. Traditionally, *Macs* are associated with more stability and security, being the preference of some people for music production and other arts; also they are associated with the best design and ease of use, which is a very important issue for the 'average' user who does not understand much about computers. The customer service is another major perk since *Apple* stores offer the best technical support for free, and also help users get the

most out of their *Macs*. All these specificities enlarge clients' brand experience, and help create the path to the cult of *Mac*.

The launch of *iPod* was a huge success at the time, and maybe the responsible for the mainstreaming of the '*Apple* fever'. However, nowadays the *iPod* hype seems to have been surpassed by the *iPhone* and *iPad*, which explains the lowest mean for this product category. As Cheng (2013) argues, *iPod* sales have been dropping consistently since 2009, while *iPhone* and *iPad* sells numbers have risen. Chart 8 illustrates the replacement of the *iPod* legacy for the more recent *iPhone* and *iPad* categories.

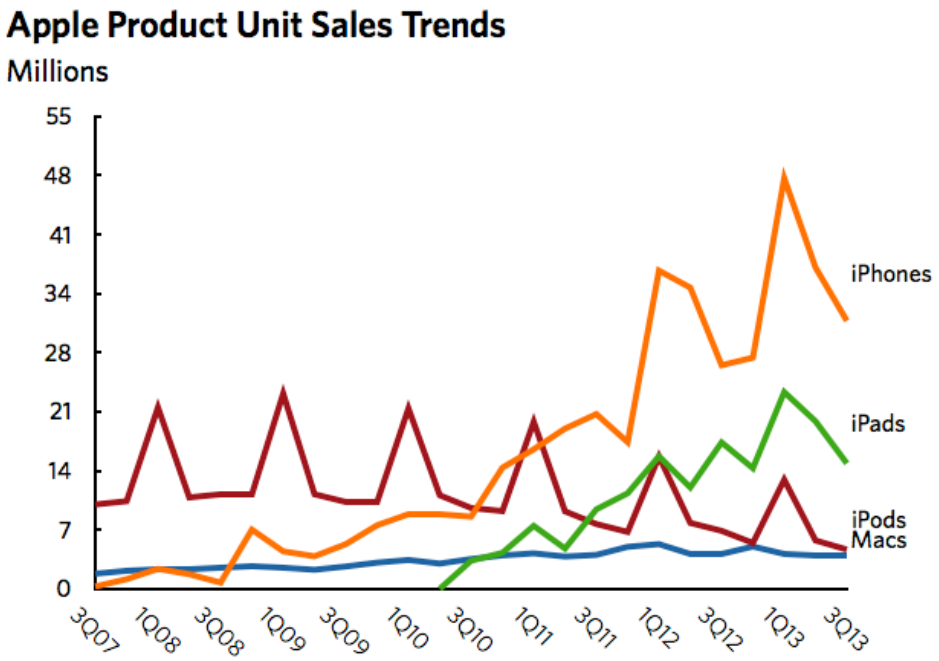

Chart 8 – *Apple* product unit sales trends.

(Cheng, 2013)

This also justifies the fact that *iPad* and *iPhone* are the categories with the highest values of behavioral loyalty. Even though *Mac* is the category that presents the highest attitudinal loyalty level, that commitment and involvement of the individuals does not always translate into buying behavior, since *Macs* are a lot more expensive than the *iOS* devices, and most people do not purchase a new computer for a few years. Nevertheless, Chart 8 also shows that *iPad* and *iPhone* sales reach high and low peaks, which means they are associated with trends and hypes, while *Mac* sales have been growing consistently and without big variances, proving they are not just the product of a fashion statement, but that clients are truly loyal to *Mac*.

CHAPTER VI – CONCLUSIONS

One of the biggest contributions of the present study was intended to be the development and verification of understudied and unsupported relationships in the marketing literature, namely, the relationships between brand experience and brand perceived value, brand experience and price perceptions (in this study composed of four constructs, representing the negative and positive role of price: value consciousness, price sensitivity, price as quality indicator, and prestige sensitivity), and lastly, the relationships between price perceptions and brand trust and brand commitment.

The other major goal was to underline the differences regarding the perceptions of the respondents toward *Apple*, depending on their relationship with the brand, specifically, if they are *Apple* clients or non-clients.

Although one conceptual model was developed, the study was conducted in two directions: for the non-clients' case was presented a partial model, including the variables brand experience, brand perceived value, the four variables of price perceptions, and brand trust, since it does not make sense to evaluate the satisfaction, commitment, and loyalty for those who never bought *Apple* products. In the clients' case was used the complete model, examining all the antecedents of brand loyalty.

In this chapter we will present the main outcomes of the study, discussing the findings and its implications from a managerial point of view. The study's limitations and suggestions of future research will also be addressed.

6.1 DISCUSSION AND IMPLICATIONS

The statistic analysis performed provided the partial verification of the proposed conceptual models. For both models, some of the proposed hypotheses were confirmed, some were only partially confirmed, and others were rejected. Those findings will be now discussed.

6.1.1 DISCUSSION AND COMPARISON OF THE RELATIONSHIPS AMONG VARIABLES COMMON TO THE TWO MODELS: *APPLE* CLIENTS AND NON-CLIENTS

The causal relationships among variables related to brand experience, brand perceived value, price perceptions (value consciousness, price sensitivity, price as quality indicator, and prestige sensitivity), and brand trust were part of both non-clients and clients' models, and will be explained and compared below.

BRAND EXPERIENCE – BRAND PERCEIVED VALUE

For the non-clients' model, exploratory factor analysis revealed two factors for the brand experience construct – sensory/affective, and behavioral – and four factors for the brand perceived value construct – functional value, emotional value & price/value for money & play value, emotional & aesthetic value, and social value. The results show the sensory/affective variable has a positive impact on all brand perceived value variables, while the behavioral variable influences only two brand perceived value variables – emotional value & price/value for money & play value, and social value.

The reason why there is two brand perceived value factors that incorporate various dimensions is because this construct requires some involvement of the consumers with the brand in order to have a clear perception about its value. The factors 'emotional value & price/value for money & play value' and 'emotional & aesthetic value' have a mix of items that theoretically belong to different dimensions, due to the fact that the non-clients have contradictory opinions regarding issues such as if they enjoy the brand, and if they think the brand offers value for money and good products for the price charged. In the clients' model, there was no such problem, since *Apple* clients have a much more unanimous perception about the brand's value, in all its different dimensions.

In the *Apple* clients' case, three factors were found regarding brand experience – sensory/affective, behavioral, and intellectual – but the latter had no impact on brand perceived value, composed of three factors – emotional & play & aesthetic value, functional value, and social value. Also in this case, the sensory/affective variable has a positive impact on all the brand perceived value variables, whereas the behavioral one only affects emotional & play & aesthetic value, and social value, matching the results of the previous model.

According to Brakus et al. (2009), the sensory/affective dimension relates to the stimulations provided by the brand (visual, auditory, tactile), as well as the feelings and emotional bond toward the brand. Thus, since *Apple* is known for its mastery in providing the best brand experience to its customers, whether through the product's design, feel, and ease of use, or through the sensations that people feel when interacting with the brand (catalysto; Elliot, 2012; Jack Morton, 2011), it is only natural that the sensory/affective variable has an impact on the respondents' perceived value regarding the brand, in all its forms – from the functional value, comprising the price and quality dimensions, to the more affective aspects of value, such as emotional, play and aesthetic value, as well as social value.

On the other hand, the behavioral dimension includes bodily experiences, lifestyles and interactions with the brand (Zarantonello & Schmitt, 2010). This explains the linkage to emotional value – the affective state toward a brand; to play value – the sense of freedom a consumer has when performing an activity with an object; to aesthetic value – the meaningful and pleasant interaction between a subject and a perceived aesthetic object or brand; and to social value – the desire of social approval and expression of personality among other individuals (Holbrook, 1999; Karjaluoto et al., 2012; Mathwick et al., 2002; Mosavi & Ghaedi, 2012).

The intellectual dimension of brand experience is related to the ability of the brand to engage the consumer's thinking (Zarantonello & Schmitt, 2010). This variable was found only in the clients' model, but did not impact any of the brand perceived value variables, indicating the supremacy of the more emotional and interactional aspects in influencing consumers' value perception regarding the brand.

In both models, the strongest relationship is between the sensory/affective variable and the emotional, play and aesthetic dimensions, corroborating the idea that the emotional bonds created between the consumers and the brand (consumer-brand relationships) are the starting point to develop a long-lasting loyal relationship.

It is also worth noticing that even in the non-clients' case the strongest link is between the sensory/affective variable and the emotional & aesthetic value, proving that even those who do not buy *Apple* products recognize this brand's capability of charming the consumers to the brand experience they provide and delight them with the aesthetic aspect of their offers.

BRAND EXPERIENCE – VALUE CONSCIOUSNESS

Regarding the negative role of price perceptions, the impact of brand experience on value consciousness differs in the non-clients and clients' case. For the non-clients' model, only the behavioral dimension of brand experience has a negative impact, as proposed in the conceptual model. This means that the higher the level of behavioral experiences provided by the brand – bodily experiences, associations with the lifestyle and interactions with the brand (Zarantonello & Schmitt, 2010) – the lower the value consciousness. Lower value consciousness levels indicate that the consumers are less concerned with searching for the best quality received to price paid ratio in a purchase transaction (Lichtenstein et al., 1993). This is the ultimate desire for companies, since less value-conscious consumers are less propone to search for lower-priced retailer's brands (Bao & Mandrik, 2004), and therefore may present a higher predisposition for purchasing international higher-priced brands, such as *Apple*.

In the *Apple* clients' model, value consciousness is negatively impacted by the sensory/affective variable. In this case, it is the stimulations, feelings and emotional bonds provided by the brand, that diminish consumers' value consciousness. Given the emotional connection of the clients toward *Apple*, it is only natural that the sensory/affective variable is the strongest predictor of decreased value consciousness.

From the managerial point of view, these conclusions give us insights about the importance of building strong affective-driven relationships with customers, as well as provide them physical experiences and connect with their lifestyles, in order to make them less value-conscious, and therefore more propone to commit to a higher-priced brand, that can provide them those experiences.

BRAND EXPERIENCE – PRICE SENSITIVITY | PRICE SENSITIVITY – BRAND TRUST

As previously referred in the literature review chapter, we aimed to find the differences between *Apple* clients and non-clients, regarding their price sensitivity, in order to understand if *Apple* clients have a wider *reference threshold price* due to their prior experiences with the brand. It was plausible to assume that *Apple* clients would be less price-sensitive than non-clients.

In a similar way, we expected the negative relationship between price sensitivity and brand trust to be weaker in the *Apple* clients' case than in the non-clients'. The underlying reason is that we

assume that consumers who have already bought *Apple* products are less price-sensitive than those who never bought this brand, and therefore their price sensitivity would have a smaller impact on brand trust.

However, even though we obtained the price sensitivity factor through the exploratory factor analysis, this variable proved not to be influenced by the brand experience variables, nor to have any impact on the brand trust variable, for both cases of *Apple* clients and non-clients.

One of the explanations for the fact that price sensitivity is not influenced nor influences other variables may be the fact that price sensitivity is the degree to which the consumers focus exclusively on paying low prices, regardless of the possible lack of quality (Anuwichanont, 2011; Burton et al., 1998; Lichtenstein et al., 1993). Therefore, this variable seems to not apply to the *Apple* clients' case, since they value more aspects other than price, such as quality. As for the non-clients, the majority of respondents recognized that although the prices charged by *Apple* are very expensive, the products' quality justifies the price, showing some concern toward the quality of the products. This places the inquired non-clients more on the value consciousness area (search for the best price/quality ratio possible) than on the price sensitivity reign (search for the lowest price possible). Thus, price sensitivity seems to not apply to the non-clients' case also, since they actually value quality, and not exclusively low price.

BRAND EXPERIENCE – PRICE AS QUALITY INDICATOR

For the positive role of price perceptions, the variable price as quality indicator is positively influenced by two brand experience variables – sensory/affective, and behavioral – in both cases of *Apple* clients and non-clients.

It is noteworthy to recall that even the non-clients respondents, when inquired on the reasons why they do not buy *Apple* products, referred that they consider the brand too expensive, although the quality received justifies the price charged. Also 0% of the inquired non-clients claimed that *Apple* products do not have good quality. This shows that *Apple* has positioned itself in the public's eyes as the epitome of quality.

Having the ability of creating such perception in consumers' mind is extremely important for companies, since consumers who perceive price in a positive way due to an inference that price is positively related to the level of product quality, are more likely to pay higher prices. In fact, some

consumers search for the highest prices in order to maximize the expected quality – this behavior is referred to as 'price-seeking' (Lichtenstein et al., 1993; Tellis & Gaeth, 1990).

BRAND EXPERIENCE – PRESTIGE SENSITIVITY

The other variable related to the positive role of price perceptions – prestige sensitivity – is also influenced by the sensory/affective, and behavioral variables, in the non-clients' case; and by the same two variables, plus the intellectual variable, in the *Apple* clients' case.

It is interesting to note that a big percentage (40.6%) of the non-clients respondents referred, when inquired about the reasons why they do not by this brand, that although they feel attracted by *Apple* products, they see this brand as a way of achieving a certain status in a social context, and therefore are not willing to pay such high price for it.

Nevertheless, through these results we can conclude that even the non-clients' are prestige-sensitive, and their levels of prestige sensitivity are also influenced by the sensory, affective, and behavioral aspects of the brand experience created by *Apple*.

In the *Apple* clients' case, besides the impact of the sensory/affective and behavioral variables, the intellectual one also proved to have a positive influence, even though this relationship was not significant for the confidence interval (95%) used across the study, it was only significant for a confidence interval of 90%.

According to Choi et al. (2011), the prestige perceptions derive from unique and exceptional inherent characteristics of the brand, and also from the interactions with people, the product attributes, and symbolic values. Thus all the interactions with a high-status perceived brand, whether related to the sensory and affective feelings created by the brand, or regarding the more behavioral and rational connection, will affect consumers' prestige sensitivity.

BRAND PERCEIVED VALUE – BRAND TRUST

As previously explained, in the non-clients' case four factors were obtained for the brand perceived value construct – functional value, emotional value & price/value for money & play value, emotional & aesthetic value, and social value. In what concerns brand trust, two factors were found – one comprising the integrity & honesty & altruism dimensions, and the other relative to the reliability dimension.

The findings show that the social value variable has no impact in either one of the brand trust variables. The strongest predictor of both brand trust variables is functional value (related to the price/value for money, and performance/quality dimensions of brand perceived value). Since we are analyzing the non-clients' case, it makes sense that the functional aspects are the ones who impact the most the respondents' trust in that brand, because their emotional, play, and aesthetic references are not as strong, due to the fewer experiences with the products and brand.

Even so, the results are very similar for the *Apple* clients' case. In this model, three variables were obtained for the brand perceived value construct – emotional & play & aesthetic value, functional value, and social value – and for the brand trust construct, all the dimensions were gathered in only one factor.

Again, the social value shows no impact on brand trust. Interestingly, in the clients' case, functional value also proved to be the strongest predictor of brand trust. However, the emotional & play & aesthetic value relationship coefficient (0.441) was much higher than in the non-clients' case (0.208; 0.209), corroborating the view that the more the consumer knows and is intimate with the products and the brand, the higher the impact of the more hedonistic variables of brand perceived value (emotional, play, and aesthetic) on building brand trust.

VALUE CONSCIOUSNESS – BRAND TRUST

In the literature review, we pointed out the fact that there is no literary support regarding the influence of value consciousness on consumers' trust in a brand, so this was one of the new causal relationships proposed in this study.

However, we used Anuwichanont (2011) study as a clue, since it proposed that the relationship between brand trust and brand loyalty is stronger under conditions of low price perceptions. Although *Apple* falls in the high price perception category, we inquired if consumers' value consciousness could somehow negatively influence their trust on the brand.

The results obtained show that value consciousness has no impact on brand trust both in the non-clients and clients' case. This may be due to the fact that value consciousness is somewhat a 'mathematical' concept, related to the consumers' evaluation of the utility of a product based on the tradeoff of what is given and what is received (Zeithaml, 1988), while brand trust is a more

relational and interpersonal concept, related with the consumers' confidence in the brand's reliability, integrity, honesty, and altruism (Morgan & Hunt, 1994; Wang, 2002).

PRICE AS QUALITY INDICATOR – BRAND TRUST

Anuwichanont (2011) study was also the starting point for the newly proposed positive relationship between price as quality indicator and brand trust, since the results of that study were the opposite of the expected, and showed that the influence of brand trust on brand loyalty is actually greater under high price perception conditions. This gave a hint that price as quality indicator (associated with high price perceptions) could have a positive impact on brand trust.

This hypothesis was confirmed in the *Apple* clients' case, and partially confirmed in the non-clients' case, for the reliability variable of brand trust. These findings show that those who perceive price as a quality indicator are assured of the brand's quality and therefore trust the brand, at least in what concerns its performance.

PRESTIGE SENSITIVITY – BRAND TRUST

Regarding the positive newly proposed relationship between prestige sensitivity and brand trust, there is more clues in the literature than just the previously referred Anuwichanont (2011) study. Keh and Xie (2009) discovered that corporate reputation has a positive influence on customer trust, and although this does not prove the link between prestige sensitivity and brand trust, corporate reputation is often linked to the brand's prestige and social status. Also Choi et al. (2011) proved that brand trust is influenced by the consumers' perception of upscale, prestige, and high status, all related to prestige sensitivity.

Despite these encouraging hints, our findings suggest that prestige sensitivity does not impact brand trust. This may be related with the fact that *Apple* clients do not make that kind of association between the prestige provided by the brand and their trust in the brand, since they already have actual experiences with the products and brand to be insured about its reliability, as well as integrity, honesty, and altruism. Regarding the non-clients, although they are sensitive to prestige, it seems to not be such a great insurance that the brand truly delivers the promised features regarding the performance of the products.

6.1.2 DISCUSSION OF THE RESULTS RELATED TO THE *APPLE* CLIENTS' MODEL: RELATIONSHIPS COMPRISING BRAND SATISFACTION, BRAND COMMITMENT, AND BRAND LOYALTY VARIABLES

The relationships among the variables of the remaining constructs – brand satisfaction, brand commitment, and brand loyalty – were applied only to the *Apple* clients' model, since satisfaction, commitment and loyalty toward the brand can only be measured in the case of respondents who have already bought *Apple* products. Those relationships will be now exposed and analyzed.

BRAND PERCEIVED VALUE – BRAND SATISFACTION

The results of the *Apple* clients' model show that the brand satisfaction variable is positively influenced by the three brand perceived value variables – emotional & play & aesthetic value, functional value, and social value – the strongest predictor for brand satisfaction being functional value, followed by emotional & play & aesthetic value.

These results establish, for the sample used (Portuguese academic community), the same findings presented by Tim Cook in this year's WWDC: *Apple* clients demonstrate the highest rates of satisfaction toward the products, in the industry (Apple Keynote - WWDC, 2013).

BRAND PERCEIVED VALUE – BRAND COMMITMENT

Brand commitment may be conceptualized as psychological state of dependence on a relationship, with a long-term orientation, including the intent to maintain the relationship and the feeling of psychological attachment to the relational partner (Sung & Choi, 2010). Thus, brand commitment is an attitudinal construct highly related loyalty, since higher levels of brand commitment originate a steadier choice of a given brand within a product category (Traylor, 1981).

In the *Apple* clients' model, brand commitment is influence by many variables, as we will state ahead. Regarding the impact of brand perceived value, brand commitment is positively influence by two variables – emotional & play & aesthetic value, and social value – leaving out the functional value variable. Since brand commitment implies psychological attachment, these results do not surprise. The emotional & play & aesthetic value variable relates to the feelings or affective states triggered by the product, as well as the sensations of escapism and enjoyment,

while the social value is seen as the capability of enhancing the social self-concept of the individual who buys the product (Karjaluoto et al., 2012; Mathwick et al., 2002; Sweeney & Soutar, 2001). So all these facets of brand perceived value are related to the psychological attachment of the customer to the brand. Thus, it is natural that brand commitment is affected by more emotional aspects of brand perceived value than functional ones.

VALUE CONSCIOUSNESS – BRAND COMMITMENT | PRICE SENSITIVITY – BRAND COMMITMENT | PRICE AS QUALITY INDICATOR – BRAND COMMITMENT | PRESTIGE SENSITIVITY – BRAND COMMITMENT

Of all the variables of price perceptions – value consciousness, price sensitivity, price as quality indicator, and prestige sensitivity – only the latter showed a positive impact on brand commitment.

On the original conceptual model was proposed that the variables related to the negative role of price (value consciousness and price sensitivity) would have a negative influence on brand commitment, and that the variables associated with the positive role of price (price as quality indicator and prestige sensitivity) would impact positively consumers' commitment to the brand.

Although there are no studies proving the direct relationship between value consciousness and brand commitment, several authors, such as Ferreira (2010), Burton et al. (1998), Garretson et al. (2002), Jin and Suh (2005), Bao and Mandrik (2004), and Gómez and Rubio (2010), studied the relationship between value consciousness and attitude toward retailer's brands, proving that for value-conscious consumers, retailer's brands present fairly good quality at a much lower price, and therefore represent a better bargain than national or international higher-priced brands. Some of those authors, namely Burton et al. (1998), Jin and Suh (2005), and Gómez and Rubio (2010), also proved the existence of a positive link between price sensitivity and the consumers' attitude toward retailer's brands. So if value consciousness and price sensitivity are proven to have a positive influence on consumers' attitude toward retailer's brands, based on a reversed logic, those two variables would negatively influence consumers' commitment to a certain brand, especially a high-price brand such as *Apple*, since the higher the value consciousness and price sensitivity, the more the consumer seeks for brands that present the best price/quality ratio or the lowest prices.

These relationships were not validated, maybe because the *Apple* clients inquired present such small levels of value consciousness and price sensitivity that they do not impact their commitment

to the brand. An important insight to withdraw from this conclusion is that the higher-priced national or international brands really depend upon low value-conscious and low price-sensitive consumers. Thus, it is imperative to nurture the relationship with those who are quality-driven, and place the brand as the only upper-quality choice brand in their minds, rather than all the other high-priced competitors.

For the other two variables, related with the positive role of price perceptions, was proposed in the original conceptual model that they would positively affect consumers' commitment to the brand. Again this was based on reversed logics from previous studies that associate price as quality indicator and prestige sensitivity with a negative impact upon consumers' attitude toward retailer's brands (Bao & Mandrik, 2004; Burton et al., 1998; Garretson et al., 2002; Goldsmith et al., 2010; Sinha & Batra, 1999).

In fact, according to Sinha and Batra (1999), consumers who perceived price as a quality indicator tend to gravitate toward more expensive national brands. Surprisingly, the positive link between price as quality indicator and brand commitment was not confirmed. The findings show that only prestige sensitivity has such an impact, which may be due to the fact that the insidious desire for social prestige motivates consumers to pay higher prices for goods that confer status (Goldsmith et al., 2010), and therefore consumers with high prestige sensitivity are more likely to commit to the brand they believe delivers that prestigious status.

BRAND TRUST – BRAND COMMITMENT

Since commitment entails a great deal of vulnerability, trust has a key role in building a relationship, as parties will look for trustworthy partners (Morgan & Hunt, 1994). This causal relationship between brand trust and brand commitment was confirmed in the *Apple* clients' model, and the findings show that brand trust is actually the strongest antecedent of brand commitment, over all the other variables regarding brand perceived value, price perceptions or even brand satisfaction.

Trust is paramount in the development of commitment to a relationship, because the higher the trust the lower the perception of risk associated with opportunistic behaviors by the partner, and the higher the confidence in that partner (Ganesan & Hess, 1997). In this way, brand trust allows the development of emotional bonds with brands, creating a sense of commitment to the relationship (Dwivedi & Johnson, 2013).

In an extremely competitive environment, such as the consumer electronics and computer industries, gaining consumers' commitment to a specific brand is half-way through to maintain or improve the sells base. But in order to do so, is urgent to instigate their trust in the brand.

BRAND SATISFACTION – BRAND COMMITMENT

According to Sung and Choi (2010), satisfaction plays a considerable role in consumers' decision to continue or discontinue the relationship with a brand. They state that if a brand provides superior benefits that lead to satisfaction, consumers will commit to sustaining the relationship with that brand.

Regardless of the commonsensical idea that satisfaction leads to commitment, this causal relationship was not verified in our study. Although this is an unexpected outcome, it gives insight regarding the importance of all the other psychological-related variables (emotional & play & aesthetic value, social value, prestige sensitivity, and brand trust) in the building of commitment to a relationship with a brand.

Moreover, satisfaction is indeed a foundation for the path to loyalty, but satisfaction *per se* does not mean the consumer is immediately commitment to the brand – just like in human relationships, commitment to a brand involves more than just satisfaction; there needs to be partnership, interdependence, and even love between the parties. We believe the success of *Apple* derives exactly from their capacity of developing such deep connections with their customers.

BRAND TRUST – BRAND LOYALTY

The exploratory factor analysis performed presented two factors for brand loyalty – attitudinal and behavioral loyalty – just as suggested by the literature. Attitudinal loyalty is the consumers' specific desire of continuing the relationship with the brand or the refusal in exchanging for another brand; it implies a favorable attitude and commitment toward a specific brand that may or may not translate into repurchase behavior, known as behavioral loyalty. The latter refers to the proportion of times a consumer chooses the same brand in a specific category, compared with the total of purchases made in that category (Chaudhuri & Holbrook, 2001; Gounaris et al., 2007; Oliver, 1999).

The literature has revealed a great impact of trust in developing loyalty to a brand. For example, Chaudhuri and Holbrook (2001) actually proved the positive influence of brand trust on the two dimensions of brand loyalty – attitudinal and behavioral – just as proposed in our conceptual model.

However, these relationships were not confirmed for the sample used. The findings show that brand trust has no impact on attitudinal loyalty, and surprisingly, there is a negative correlation between brand trust and behavioral loyalty, contrary to positive effect expected.

BRAND SATISFACTION – BRAND LOYALTY

Many authors have focused on the impact of satisfaction on loyalty. The literature points out that satisfied customers are more likely to buy the product or service again than non-satisfied customers, as well as recommend it to others (Bennett & Rundle-Thiele, 2004; Yang & Peterson, 2004; Zeithaml et al., 1996). Based on these assumptions, we proposed a causal relationship between brand satisfaction and brand loyalty (composed of both attitudinal and behavioral loyalty).

The results of this study prove the positive and strong influence of brand satisfaction on attitudinal loyalty; however, the link between brand satisfaction and behavioral loyalty was not verified.

If we focus on the underlying reasons for the fact that, in this specific sample, brand satisfaction leads to attitudinal but not behavioral loyalty, we are certainly pulled by the economic aspect. Since Portugal is going through a deep economic recession period, and the inquired *Apple* clients are mostly unemployed students, still economically supported by their families, it is understandable that even though the respondents are very satisfied with the brand and have intentions of maintaining the relationship, their favorable attitude and commitment do not translate into actual purchases.

BRAND COMMITMENT – BRAND LOYALTY

Strong brand commitment has been closely linked to high levels of involvement – highly involved consumers are believed to more easily develop brand loyalty when they are satisfied (Warrington & Shim, 2000).

Brand commitment, as an emotional or psychological attachment to a brand within a product class, means that brand is considered by the consumer as the only acceptable choice regarding that product category (Traylor, 1981; Warrington & Shim, 2000).

Therefore, affective commitment is an antecedent of attitudinal loyalty. Since affective commitment has a strong emotive element, committed consumers are more likely to invest personal resources into maintaining the relationship (Dwivedi & Johnson, 2013). Attitudinal loyalty is the degree of dispositional commitment toward the brand (Chaudhuri & Holbrook, 2001).

Just like the relationship between satisfaction and attitudinal loyalty, also this relationship between brand commitment and attitudinal loyalty shows great strength in our study.

On the other hand, the causal link between brand commitment and behavioral loyalty (also studied and proved in the literature – see for example Aurier and N'Goala (2010), and Gounaris et al. (2007)) is not as strong as the previous one, and was not significant for the confidence interval (95%) used across the study, only for a confidence interval of 90%. Again, we argue this has to do with the economical situation of the respondents, who really intend to continue being loyal to *Apple*, but may not translate those intentions into actions of repurchase.

6.2 FINAL REMARKS

With the development of the present study, we are able to outline some important managerial implications. We confirmed there is a clearer perception of brand value among the *Apple* clients, compared with the non-clients, but for both cases the strongest driver of brand perceived value is the sensory/affective variable of brand experience. So in order to shape the consumers' mind regarding a brand's perceived value, companies must focus on delivering the best and most memorable experience possible to the consumer, either through the quality and feel of the products, the customer service, the capability of innovate, amaze and surprise, or in any other way.

In this specific study, we found that the greater the brand experience provided by the brand, the lower the consumers' value consciousness, even for the non-clients. In order to reach more consumers, high-priced brands have to diminish the consumers' value consciousness. Brands can do that by proving that buying that specific brand brings unique experiences, which are a lot more worthy than saving some money buying a less expensive brand.

In agreement, the fact that price sensibility is not influenced nor influences other variables in our study indicates that the younger, more informed, and more technology-driven consumers (such as University students) are not price-sensitive. This means their purchase behavior is not solely influenced by the need of paying the lowest price (this applies for both *Apple* clients and non-clients). Based on this, brands can take advantage of the fact that this class of consumers is more concerned with other aspects of the offer – for example, quality, customer service, or affective relationship – than just the possibility of paying a low price.

The results demonstrated that brand experience impacts the perception of price as a quality indicator. A brand that positions itself as a 'quality brand' in the consumers' mind has a foundation to use the price as quality indicator perception that many consumers have, and through that increase sales.

The findings of this study also showed that in the current world, and especially within communities, no one is immune to prestige sensitivity – everyone wants to fit in and belong to a certain social strata. The ability of building a brand in order to be perceived as a mean of social connection, and as a form of personal enhancement, is half-way through to diminish consumers'

sensibility to the price related issues, and increase their almost irrational desire of owning that brand.

Regarding the respondents' trust in this specific brand *Apple*, it seems to be determined by more rational aspects than affective ones, even for the clients' case. This may be related to the increased skepticism of consumers toward the integrity, honesty and altruism of companies in general, and therefore they focus more on the reliability of the brand in terms of delivered performance. Also, the past connections to outsourced production companies that violate worker's conditions may negatively influence the overall trust in the company. In order to avoid this type of negative associations in the consumers' mind, companies should really invest in working in a more ethical and sustainable way, always prioritizing and respecting the rights of all living beings, and controlling their impact in nature as much as possible.

Of all the price perception constructs, only price as quality indicator showed impact on trust, proving that an image of quality not only diminishes consumers' sensibility to price, but also increases their trust in the brand, at least in what concerns to its delivered performance.

Customer satisfaction is undoubtedly one of the major goals of any company, since it is the basing ground for future repurchases. However, satisfaction alone may not be enough to assure consumers' intention of continuing to buy and maintain a relationship with the brand. Those intentions arise from commitment to the relationship, which can be heightened by the brand's reciprocal investment toward customers – they need to feel the brand is truly concerned with developing deep, long-lasting and caring connections with them, so they feel treated like they are not just another customer, but a fundamental piece for the brand. Furthermore, the findings suggest consumers need to trust the brand in order to be open to commit to that brand. Brand commitment proved to be also influenced by prestige sensitivity, reinforcing the powerful impact that derives from the perception of a prestigious brand.

Finally, this study provided insights and corroborated the existing literature, regarding the great importance of brand satisfaction and brand commitment in the development of brand loyalty, which is the ultimate goal of all companies.

An interesting finding is that, even though the clients' model presents stronger relationships regarding brand experience and brand perceived value (as naturally expected due to their higher involvement with the brand), the non-clients' results followed a similar path. We may speculate

the fact that non-clients are also influenced by *Apple's* brand experience, which in turn affects their brand perceived value, sensitivity to quality and prestige, and their trust in the brand, means this brand is a reference for others to follow, in what concerns excellence and distinction in providing customers an extraordinary experience and sense of pride for belonging to that brand.

> *"… an experience is defined by hardware and software working harmoniously together. We continue to refine that experience dramatically blurring the boundaries between the two, making it more powerful, more intuitive, and ultimately more useful."* (Ive, 2013)

6.3 LIMITATIONS AND FUTURE RESEARCH

One of the study's limitations regards the empirical analysis. In the present work, only descriptive statistics, exploratory factor analysis and linear regression were performed – structural equation modeling could be conducted to estimate multiple regression equations in a single framework.

The data collected was confined to the consumers' perceptions and assessment of one specific brand – *Apple* – and therefore the findings cannot be extrapolated to all brands. We believe, however, they most likely translate to other brands in the consumer electronics and computers industries, with similar characteristics.

The sample collected was also restricted to a specific community – the academic community of portuguese Universities. The fact that the respondents belong to a younger, more educated, and more technology-driven category of consumers may have biased the results. Future research should consider a broader and more heterogeneous sample in order to include the views of the 'average' consumer.

Another limitation concerns the brand experience scale used. Through the incoherent results in some of the brand experience scale items, is noticeable that many inquired people did not understand the brand experience items. Maybe because is such a new concept in Portugal, consumers are not yet sensitized to what brand experience really means and how to spot it in their experiences with brands. For that reason, future research could focus on creating and testing a different brand experience scale, adapted to the portuguese context.

Related to this matter, is the fact that some inquired people seemed to not notice some of the items were in a negative form, generating contradicting results in the brand experience, value consciousness and price sensitivity constructs. In order to avoid this kind of misleading results, future surveys should contain only positive sentences, or if containing negative items, be performed in person, not online, in order to have more control over this issue.

The regression analysis presented a controversial result – brand trust had no impact on attitudinal loyalty and a negative impact on behavioral loyalty. The negative coefficient of this relationship contradicts the positive effect proposed on the conceptual model, and already proved in the literature (Chaudhuri & Holbrook, 2001; Chiou & Droge, 2006; Choi et al., 2011), but there seems to be no clear justification for this unexpected result.

Finally, a longitudinal study evaluating changes in clients and non-clients' perceptions over time could provide insights regarding the capacity of the brand of keeping the clients' devotion to the relationship and alluring the non-clients.

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ANNEXES

APPENDIX A

As previously referred, this survey was presented to both *Apple* clients and non-clients. In order to obtain data to study the two conceptual models, two different versions of the survey were distributed – one targeting the non-clients and the other targeting the *Apple* clients. The main differences were in 'Parte I' – where it was asked to the non-clients why they never bought *Apple* products, and to the clients which of the product categories they possess; and in 'Parte III' – which was presented to the *Apple* clients only, since it evaluated their satisfaction, commitment, and loyalty to the brand. 'Parte II' was the same for both types of respondents – it evaluated their brand experience, brand perceived value, price perceptions, and brand trust.

PARTE I

Responda, por favor, às seguintes questões apenas se **conhece e está familiarizado com a marca *Apple***. Não é necessário que possua produtos *Apple*, apenas que conheça a marca de forma a conseguir responder às questões.

Sexo:

Masculino ☐ Feminino ☐

Idade:

< 18	18 a 30	31 a 40	> 40
☐	☐	☐	☐

Escolaridade:

Curso médio, Frequência Universitária ou Bacharelato	Licenciatura	Mestrado ou Doutoramento
☐	☐	☐

Profissão:

Estudante	Trabalhador por conta de outrem	Trabalhador por conta própria	Executivo de topo	Outro
☐	☐	☐	☐	☐

Considerando que conhece e está familiarizado com a marca *Apple,* indique por favor se **possui algum produto** da referida marca.

Sim ☐ Não ☐

Se sim, assinale por favor qual(is) da(s) seguinte(s) categoria(s) de produtos possui.

iPod ☐

iPhone ☐

iPad ☐

Macintosh ☐

Se conhece e está familiarizado com a marca *Apple* e **não possui** nenhum produto indique, por favor, a(s) principal(is) razão(ões).

Não gosto/não me sinto atraído pelos produtos *Apple.* ☐

Os produtos *Apple* não têm boa qualidade. ☐

A referida marca não presta um bom serviço de apoio ao cliente. ☐

Os produtos *Apple* são muito caros, embora a sua qualidade justifique o preço. ☐

Os produtos *Apple* são muito caros e não justificam um preço tão elevado. ☐

Embora me sinta atraído pelos produtos *Apple*, penso que esta marca é uma forma de afirmação pessoal num certo contexto social e por isso não estou disposto a despender tanto dinheiro. ☐

Parte II

Indique, por favor, o seu grau de concordância com as seguintes afirmações, tendo em conta a sua **opinião relativamente à marca *Apple***. Mesmo que não possua produtos da referida marca, responda o que considera que aconteceria se tivesse produtos *Apple*, ou o que acontece quando usa o *iPod*, *iPhone*, *iPad* ou *Mac* na loja ou de um amigo/familiar.

Para responder às questões deverá usar uma escala de 1 a 7, que varia de "discordo totalmente" até "concordo totalmente", respetivamente.

	1. Discordo totalmente	**2. Discordo**	**3. Discordo em parte**	**4. Não concordo nem discordo**	**5. Concordo em parte**	**6. Concordo**	**7. Concordo totalmente**
1. A marca *Apple* causa uma forte impressão nos meus sentidos (visão, audição, tacto, entre outros).	☐	☐	☐	☐	☐	☐	☐
2. Eu considero esta marca interessante a nível sensorial, ou seja, ao nível das sensações que provoca em mim.	☐	☐	☐	☐	☐	☐	☐
3. A marca *Apple* **não** apela aos meus sentidos (visão, audição, tacto, olfato e paladar). *	☐	☐	☐	☐	☐	☐	☐
4. A marca *Apple* provoca em mim sensações e sentimentos, como por exemplo, satisfação, prazer, divertimento, *stress*, irritação, entre outros.	☐	☐	☐	☐	☐	☐	☐
5. Eu **não** sinto emoções fortes relativamente à marca *Apple*, sejam elas positivas ou negativas (por exemplo, alegria, contentamento, prazer, angústia, stress, raiva, entre outras). *	☐	☐	☐	☐	☐	☐	☐
6. A *Apple* é uma marca emocional, ou seja, é uma marca centrada nos laços relacionais afetivos, profundos e duradouros que cria com o cliente.	☐	☐	☐	☐	☐	☐	☐

	1. Discordo totalmente	2. Discordo	3. Discordo em parte	4. Não concordo nem discordo	5. Concordo em parte	6. Concordo	7. Concordo totalmente
7. Eu incorro em ações físicas e comportamentais quando uso produtos *Apple* (por exemplo, faço corridas a ouvir música no *iPod* ou *iPhone*, faço compras *online* usando os meus produtos *Apple*, entre outras ações).	☐	☐	☐	☐	☐	☐	☐
8. A *Apple* provoca em mim experiências corporais.	☐	☐	☐	☐	☐	☐	☐
9. Esta marca **não** é orientada para a ação. *	☐	☐	☐	☐	☐	☐	☐
10. Eu penso muito quando uso produtos da marca *Apple* (o uso desta marca exige esforço mental).	☐	☐	☐	☐	☐	☐	☐
11. A *Apple* **não** me faz pensar. *	☐	☐	☐	☐	☐	☐	☐
12. A *Apple* estimula a minha curiosidade e capacidade de resolução de problemas.	☐	☐	☐	☐	☐	☐	☐
13. Eu gosto da marca *Apple*.	☐	☐	☐	☐	☐	☐	☐
14. Esta marca faz com que eu queira usar os seus produtos.	☐	☐	☐	☐	☐	☐	☐
15. Eu sinto-me bem/dá-me prazer usar os produtos da marca *Apple*.	☐	☐	☐	☐	☐	☐	☐
16. Usar produtos *Apple* causa nas outras pessoas uma boa impressão sobre mim.	☐	☐	☐	☐	☐	☐	☐
17. Usar esta marca faz com que tenha aprovação social (faz com que me sinta socialmente aceite ou integrado).	☐	☐	☐	☐	☐	☐	☐
18. Esta marca oferece valor pelo meu dinheiro, isto é, o que eu pago pelos seus produtos vale a pena.	☐	☐	☐	☐	☐	☐	☐
19. A *Apple* oferece bons produtos pelo preço que pratica.	☐	☐	☐	☐	☐	☐	☐

	1. Discordo totalmente	2. Discordo	3. Discordo em parte	4. Não concordo nem discordo	5. Concordo em parte	6. Concordo	7. Concordo totalmente
20. Os produtos *Apple* têm qualidade consistente, ou seja, apresentam sempre os mesmos níveis de qualidade.	☐	☐	☐	☐	☐	☐	☐
21. Os produtos desta marca são bons/são bem feitos.	☐	☐	☐	☐	☐	☐	☐
22. A *Apple* tem um bom padrão de qualidade.	☐	☐	☐	☐	☐	☐	☐
23. Os produtos *Apple* duram muito tempo.	☐	☐	☐	☐	☐	☐	☐
24. Nos meus tempos livres, eu gosto/divirto-me a usar os produtos *Apple*.	☐	☐	☐	☐	☐	☐	☐
25. Considero que a *Apple* é uma marca que me proporciona bons momentos.	☐	☐	☐	☐	☐	☐	☐
26. Eu considero os produtos *Apple* visualmente apelativos.	☐	☐	☐	☐	☐	☐	☐
27. Eu sinto-me atraído pelos produtos *Apple* devido à sua imagem/*design*.	☐	☐	☐	☐	☐	☐	☐
28. Quando compro um produto tento sempre maximizar a qualidade que recebo pelo preço que pago.	☐	☐	☐	☐	☐	☐	☐
29. Tipicamente compro produtos de preços mais baixos, mas que ainda assim respondam a certos requisitos de qualidade.	☐	☐	☐	☐	☐	☐	☐
30. Perante a minha posição relativamente às duas afirmações anteriores, penso que em condições normais **não** compraria um produto *Apple* (a não ser que considerasse que o valor desse produto seria suficiente para fazer valer a pena o dinheiro que iria despender). *	☐	☐	☐	☐	☐	☐	☐

	1. Discordo totalmente	2. Discordo	3. Discordo em parte	4. Não concordo nem discordo	5. Concordo em parte	6. Concordo	7. Concordo totalmente
31. Geralmente estou disposto a fazer um esforço extra para encontrar os produtos a preços mais baixos, como por exemplo, ir a várias lojas até encontrar a que tem os produtos mais baratos.	☐	☐	☐	☐	☐	☐	☐
32. Considero que o dinheiro que poupo compensa o tempo e esfoço necessários para encontrar os produtos mais baratos.	☐	☐	☐	☐	☐	☐	☐
33. De um modo geral, **não** compraria produtos da marca *Apple*, pois considero-os muito caros e penso que encontraria produtos relativamente semelhantes a preços mais baixos. *	☐	☐	☐	☐	☐	☐	☐
34. Tipicamente, quanto mais elevado for o preço de um produto maior é a sua qualidade.	☐	☐	☐	☐	☐	☐	☐
35. Considero que os preços praticados pela *Apple* são um indicador da sua qualidade superior.	☐	☐	☐	☐	☐	☐	☐
36. Estou disposto a pagar mais pelos produtos *Apple*, pois tem de se pagar mais para se obter o melhor.	☐	☐	☐	☐	☐	☐	☐
37. Comprar uma marca considerada cara, como por exemplo a *Apple*, faz-me sentir bem comigo próprio.	☐	☐	☐	☐	☐	☐	☐
38. Eu gosto do prestígio que advém de comprar marcas caras, como a *Apple*.	☐	☐	☐	☐	☐	☐	☐

	1. Discordo totalmente	2. Discordo	3. Discordo em parte	4. Não concordo nem discordo	5. Concordo em parte	6. Concordo	7. Concordo totalmente
39. Eu penso que as outras pessoas fazem julgamentos sobre mim com base no tipo de marcas que compro, por isso já comprei marcas mais caras apenas porque sabia que as outras pessoas iam reparar.	☐	☐	☐	☐	☐	☐	☐
40. De um modo geral, compraria produtos *Apple* pois penso que isso influenciaria a imagem que os outros têm de mim e me daria um certo prestígio social.	☐	☐	☐	☐	☐	☐	☐
41. Os produtos *Apple* são fidedignos (de confiança).	☐	☐	☐	☐	☐	☐	☐
42. Os produtos desta marca nunca ficam aquém das minhas expectativas.	☐	☐	☐	☐	☐	☐	☐
43. Eu acredito que ficarei sempre satisfeito com os produtos *Apple*.	☐	☐	☐	☐	☐	☐	☐
44. Eu sei o que esperar desta marca.	☐	☐	☐	☐	☐	☐	☐
45. Eu sinto que posso acreditar que a *Apple* tem grande integridade (faz o que é correcto).	☐	☐	☐	☐	☐	☐	☐
46. Acredito que a *Apple* é uma marca responsável e que age com boas intenções.	☐	☐	☐	☐	☐	☐	☐
47. Acredito que a informação que a *Apple* transmite sobre os seus produtos é correcta e precisa.	☐	☐	☐	☐	☐	☐	☐
48. Considero a *Apple* uma marca honesta e verdadeira.	☐	☐	☐	☐	☐	☐	☐
49. Penso que a *Apple* é uma marca genuinamente empenhada em satisfazer os seus clientes.	☐	☐	☐	☐	☐	☐	☐
50. A *Apple* preocupa-se e ouve os seus clientes.	☐	☐	☐	☐	☐	☐	☐

	1. Discordo totalmente	2. Discordo	3. Discordo em parte	4. Não concordo nem discordo	5. Concordo em parte	6. Concordo	7. Concordo totalmente
51. Eu acredito que a *Apple* dará o seu melhor para resolver um problema que eu possa ter.	☐	☐	☐	☐	☐	☐	☐

* questão na negativa

Parte III

<u>Com base na sua experiência enquanto cliente da marca *Apple*</u> indique, por favor, o seu grau de concordância com as seguintes afirmações.

Para tal, deverá usar a mesma escala de 1 a 7, que varia de "discordo totalmente" até "concordo totalmente", respetivamente.

	1. Discordo totalmente	2. Discordo	3. Discordo em parte	4. Não concordo nem discordo	5. Concordo em parte	6. Concordo	7. Concordo totalmente
52. Os produtos *Apple* atingem sempre as minhas expectativas.	☐	☐	☐	☐	☐	☐	☐
53. Estou feliz com a decisão de ter comprado produtos desta marca.	☐	☐	☐	☐	☐	☐	☐
54. Estou, de certa forma, viciado nesta marca.	☐	☐	☐	☐	☐	☐	☐
55. Estou muito satisfeito com os produtos *Apple*.	☐	☐	☐	☐	☐	☐	☐
56. Eu sinto um forte sentimento de pertença para com a *Apple*.	☐	☐	☐	☐	☐	☐	☐
57. Esta marca tem um significado pessoal para mim.	☐	☐	☐	☐	☐	☐	☐
58. Sinto-me orgulhoso de ser cliente da *Apple*.	☐	☐	☐	☐	☐	☐	☐
59. Estou disposto a fazer sacrifícios para manter e proteger a minha relação com esta marca.	☐	☐	☐	☐	☐	☐	☐

	1. Discordo totalmente	2. Discordo	3. Discordo em parte	4. Não concordo nem discordo	5. Concordo em parte	6. Concordo	7. Concordo totalmente
60. Seria muito difícil para mim mudar da *Apple* para outra marca, neste momento.	☐	☐	☐	☐	☐	☐	☐
61. Eu dou *feedback* à *Apple* regularmente sobre as minhas avaliações e opiniões sobre os seus produtos.	☐	☐	☐	☐	☐	☐	☐
62. Se a *Apple* fosse uma pessoa, eu gostaria de a ter como amiga.	☐	☐	☐	☐	☐	☐	☐
63. Eu considero os produtos da marca *Apple* a minha primeira escolha nesta categoria de produtos (leitores de música, computadores, *smartphones* e *tablets*).	☐	☐	☐	☐	☐	☐	☐
64. A próxima vez que eu precisar de comprar algum destes produtos, comprarei da marca *Apple*.	☐	☐	☐	☐	☐	☐	☐
65. Mesmo se os meus amigos me recomendassem outras marcas, a minha preferência não mudaria.	☐	☐	☐	☐	☐	☐	☐
66. Estou disposto a pagar um preço mais elevado em relação aos produtos concorrentes, para obter os produtos *Apple*.	☐	☐	☐	☐	☐	☐	☐
67. A publicidade das marcas concorrentes não consegue reduzir o meu interesse em comprar produtos *Apple*.	☐	☐	☐	☐	☐	☐	☐
68. Eu considero-me leal à marca *Apple*.	☐	☐	☐	☐	☐	☐	☐
69. Eu digo coisas positivas sobre esta marca.	☐	☐	☐	☐	☐	☐	☐
70. Eu recomendo os produtos *Apple* a pessoas que me peçam opinião sobre o assunto.	☐	☐	☐	☐	☐	☐	☐

	1. Discordo totalmente	2. Discordo	3. Discordo em parte	4. Não concordo nem discordo	5. Concordo em parte	6. Concordo	7. Concordo totalmente
71. Faça, por favor, uma estimativa de quantas vezes adquiriu este género de produtos (leitores de música, computadores, *smartphones* e *tablets*), nos últimos três anos.			_____ vezes				
72. Desses produtos que adquiriu, quantos eram da marca *Apple*?			_____ eram da *Apple*				

Muito obrigada pela sua colaboração!

APPENDIX B

ANOVA OUTPUT REGARDING BRAND LOYALTY AMONG PRODUCT CATEGORIES

Descriptives

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
Attitudinal_Loyalty	iPod	75	4,0650	1,54635	,17856	3,7092	4,4208	1,00	7,00
	iPhone	59	4,6102	1,50539	,19599	4,2179	5,0025	1,00	7,00
	iPad	45	4,5972	1,25592	,18722	4,2199	4,9745	2,38	7,00
	Mac	81	5,0571	1,30280	,14476	4,7690	5,3452	1,13	7,00
	Total	260	4,5899	1,45982	,09053	4,4116	4,7682	1,00	7,00
Behavioral_Loyalty	iPod	75	2,4800	1,48060	,17096	2,1393	2,8207	,00	10,00
	iPhone	59	3,1441	1,76911	,23032	2,6830	3,6051	1,00	10,00
	iPad	45	3,3333	2,02260	,30151	2,7257	3,9410	,50	10,00
	Mac	81	2,4815	1,46936	,16326	2,1566	2,8064	,00	9,50
	Total	260	2,7788	1,68119	,10426	2,5735	2,9842	,00	10,00

Test of Homogeneity of Variances

	Levene Statistic	df1	df2	Sig.
Attitudinal_Loyalty	1,737	3	256	,160
Behavioral_Loyalty	2,210	3	256	,087

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Attitudinal_Loyalty	Between Groups	38,371	3	12,790	6,376	,000
	Within Groups	513,574	256	2,006		
	Total	551,945	259			
Behavioral_Loyalty	Between Groups	35,566	3	11,855	4,358	,005
	Within Groups	696,468	256	2,721		
	Total	732,034	259			

Robust Tests of Equality of Means

		Statistic[a]	df1	df2	Sig.
Attitudinal_Loyalty	Brown-Forsythe	6,475	3	237,664	,000
Behavioral_Loyalty	Brown-Forsythe	4,019	3	185,754	,008

a. Asymptotically F distributed.

POST HOC TESTS OUTPUT

Multiple Comparisons

Scheffe

Dependent Variable	(I) Product	(J) Product	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Attitudinal_Loyalty	iPod	iPhone	-,54517	,24648	,183	-1,2388	,1485
		iPad	-,53222	,26708	,267	-1,2838	,2194
		Mac	-,99210*	,22697	,000	-1,6308	-,3534
	iPhone	iPod	,54517	,24648	,183	-,1485	1,2388
		iPad	,01295	,28033	1,000	-,7759	,8018
		Mac	-,44693	,24242	,336	-1,1292	,2353
	iPad	iPod	,53222	,26708	,267	-,2194	1,2838
		iPhone	-,01295	,28033	1,000	-,8018	,7759
		Mac	-,45988	,26334	,386	-1,2010	,2812
	Mac	iPod	,99210*	,22697	,000	,3534	1,6308
		iPhone	,44693	,24242	,336	-,2353	1,1292
		iPad	,45988	,26334	,386	-,2812	1,2010
Behavioral_Loyalty	iPod	iPhone	-,66407	,28703	,151	-1,4718	,1437
		iPad	-,85333	,31102	,059	-1,7286	,0219
		Mac	-,00148	,26431	1,000	-,7453	,7423
	iPhone	iPod	,66407	,28703	,151	-,1437	1,4718
		iPad	-,18927	,32645	,953	-1,1079	,7294
		Mac	,66259	,28231	,141	-,1319	1,4571
	iPad	iPod	,85333	,31102	,059	-,0219	1,7286
		iPhone	,18927	,32645	,953	-,7294	1,1079
		Mac	,85185	,30667	,055	-,0112	1,7149
	Mac	iPod	,00148	,26431	1,000	-,7423	,7453
		iPhone	-,66259	,28231	,141	-1,4571	,1319
		iPad	-,85185	,30667	,055	-1,7149	,0112

*. The mean difference is significant at the 0.05 level.

Homogeneous Subsets

Attitudinal_Loyalty

Scheffe[a,b]

Product	N	Subset for alpha = 0.05	
		1	2
iPod	75	4,0650	
iPad	45	4,5972	4,5972
iPhone	59	4,6102	4,6102
Mac	81		5,0571
Sig.		,209	,357

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 61,680.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

Behavioral_Loyalty

Scheffe[a,b]

Product	N	Subset for alpha = 0.05	
		1	2
iPod	75	2,4800	
Mac	81	2,4815	
iPhone	59	3,1441	3,1441
iPad	45		3,3333
Sig.		,175	,939

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 61,680.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.